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Senate

The Senate met at 10 a.m. and was called to order by the Honorable MARY L. LANDRIEU, a Senator from the State of Louisiana.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Father, the heavens proclaim Your glory, and the skies display Your craftsmanship. We thank You today for those who positively touch our lives. Thank You for mothers and fathers who make good homes and guide us to ethical maturity. Thank You for friends who help to make life beautiful as they inspire us to show great love. Thank You also for loved ones who through personal sacrifices have given us a great heritage. Thank You for our Senators who labor diligently to keep our country strong. May the words they speak this day and the thoughts they think be pleasing to you, Oh, Lord, our Rock, and our Redeemer. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MARY L. LANDRIEU, a Senator from the State of Louisiana, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 19, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARY L. LANDRIEU, a Senator from the State of Louisiana, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Ms. LANDRIEU thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Madam President, this morning the Senate will be in a period of morning business for an hour, the time equally divided and controlled between the two leaders. Republicans will control the first half and the majority controls the final 30 minutes.

The reason we did not go immediately to the bill at this time is there is a very important markup taking place in the Finance Committee dealing with the Energy bill, particularly the tax portions of the Energy bill. It is my understanding that Senators BOXER and GRASSLEY, with other members of the committee, have worked out a bipartisan measure they will bring to the floor as an amendment in the immediate future and it will be done today.

Once morning business closes, the Senate will then immediately resume consideration of the Energy bill about which I referred. Under our order of yesterday, the Senate will debate the Bunning and Tester amendments for a total of 2½ hours.

ORDER OF PROCEDURE

I ask unanimous consent that the time for debate for these two amendments this morning be equally divided and controlled as previously ordered until 1 p.m., and that the Senate then recess until 2:15; that at 2:15, the remaining debate time also be equally divided and controlled, with the other provisions of the previous order remaining in effect.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. The agreement just entered now delays the conference recess period until 1 p.m. Following disposition of those two amendments this afternoon, the Senate will then debate three more amendments with the total debate time up to 90 minutes. Votes on these amendments will occur upon the use or yielding back of that time, so Members should expect two votes around 3 to 3:15, and then three more votes around 5:30.

I have conferred in detail with the distinguished Republican leader going over the schedule. I have told Democratic Senators, and I will repeat this at the caucus, we have a lot to accomplish before this work period ends. We have to complete the energy legislation, we have to complete work on the immigration bill, and we have to start defense authorization in some manner, recognizing that we will not have a lot of time on that.

It is up to the individual Senators as to how much time we take. If all time is used—as I said, I have gone over this in detail with the Republican leader and our staffs—we will not be able to finish until Saturday, a week from this Saturday, sometime in the evening. That would mean we would have to be in session this weekend. Maybe we have some people who may not object to one or two things. That being the case, we may not have to be in on Sunday this week. But everyone should understand, we have a lot of important votes. We have people running for President on both sides of the aisle. They should plan on being here, because their votes could make the difference. The energy legislation is extremely important. There are three issues that are the main focus of this

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

legislation, by the business community, the environmental community, and the press. That is coal to liquids—that matter is going to be resolved this afternoon, hopefully; CAFE, which hopefully will be resolved in the next 24 hours; and then we have the renewable portfolio standards we are always working on. We hope we can get that done in some manner. There are other important amendments, but I mentioned the top three. We have what we have to complete prior to the July 4 recess. It is up to us how much time we take. If we happen to finish this conglomeration of legislation earlier, it would be to the good of the order, but if we aren't able to do that, we are going to have to stay here, which would be sometime Saturday evening.

MEASURE PLACED ON CALENDAR—S. 1639

Mr. REID. Madam President, I understand that S. 1639 is at the desk and is due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

S. 1639, a bill to provide for comprehensive immigration reform, and for other purposes.

Mr. REID. I would object to further proceedings at this time.

The ACTING PRESIDENT pro tempore. Objection is heard. Under rule XIV, the bill will be placed on the calendar.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for 60 minutes, with Senators permitted to speak up to 10 minutes each, with the time equally divided and controlled by the two leaders or their designees, with the first half of the time under the control of the Republican leader or his designee, and the second half of the hour controlled by the majority leader or his designee.

Who seeks recognition?

The Senator from Georgia.

EMPLOYEE FREE CHOICE ACT

Mr. ISAKSON. Madam President, it is my understanding that at some point in time in the near future we will have a bill brought to the floor known as the Employee Free Choice Act. I thought this morning I would take a few minutes to discuss the Employee Free Choice Act, what I think it means, why I think it is here, but why we are where we are today in America in terms of labor and management relations.

At the beginning of the last century, the Industrial Revolution began in full force. As a byproduct of it, America went to a manufacturing society, a creative society. Business flourished—textiles, automobile production, manufacturing of all types.

Out of that came huge employment opportunities. Out of it came large companies, and out of it, unfortunately, came abuse of workers. In the 1920s it became obvious something had to be done. In 1935, this Congress and the President then signed the Wagner Act, which created the National Labor Relations Board, and for 72 years since then, our country has flourished under the rules and regulations of the National Labor Relations Board, and addressing the rights of workers.

It also created the opportunity for workers to join together, to unionize, to collectively bargain, and to negotiate. It has served America well. What has happened over those 72 years is the creation of a plethora of worker benefit programs backed by the U.S. Government. Prior to 1935, there was little if any federal worker protection laws. Out of that grew the demand for organization and ultimately unions, and out of that came the Wagner Act. Since then have come the following: OSHA, the Occupational Safety and Health Administration; the National Labor Relations Board; the Equal Employment Opportunity Commission; a new minimum wage, recently raised on the signature of the President here; the adverse effect wage rate, to protect those who come to this country and work as immigrants, to ensure they are not taken advantage of; workers compensation, a universal plan to make sure that workers in high-risk jobs have compensation for injuries they incur in the workplace; not to mention the Mine Safety & Health Administration, the Nuclear Regulatory Commission, and literally hundreds of agencies in the American Government today, created since 1935, for the protection of workers. Those all came about because workers deserved that protection in terms of their health, their safety, their compensation, and other benefits that arise.

Now, why did those laws come to pass? They came to pass because the union movement began to organize businesses and got management's attention, and management responded, and where it did not, the Government responded.

Now, how did the union system work under the Wagner Act? It was very simple. It said: If 30 percent of the employees of a company decide they want to sign off on a card saying they want a vote as to whether that company should unionize, they get the chance to have that vote, that vote, as sought by labor, and as was demanded in fact by the organizers, a secret ballot. It was a secret ballot because, in large measure, workers did not trust management. They thought company ownership would intimidate a worker, threaten a worker, try and prohibit them from making their own free choice, so they insisted on the secret ballot, just as our Founding Fathers did, and just as we today protect the secret ballot for those who vote for or against us, and for or against amendments to our Constitution or any referendum that comes before them.

So the secret ballot allowed brave people to vote, in privacy, as to whether they wanted to be organized. If they were organized, if they voted 50 percent plus one to organize, they could form a union. If they formed that union, they then had the right to collectively bargain, use the strength of their numbers with management, negotiate contracts to protect themselves and their interests, and bargain for benefits.

That is not a bad system. It is a neutral system. It is a fair system. When you got the 30-percent signatures, you then had a neutral system where management had the opportunity to tell you all the reasons why they were going to be better and you did not need to organize; and labor had all the opportunity they needed to tell you why not to believe that and that you needed to organize.

Out of that came a vote, a private vote, a secret ballot vote. If 50 percent plus one voted for it, the union got to organize.

Now, what does the Employee Free Choice Act say? It says: Well, you are no longer going to have the opportunity of avoiding intimidation because we are going to take away the secret ballot. We are going to say: If union leaders decide they want to come in and organize a company that is not unionized, they can get 50 percent plus one to sign off on a card chit and you have a union. There is no vote. There is just the card sign-off, but it is not signed off in secret. You no longer have the neutrality to have the opportunity of management getting the chance to make its case. You have a negative environment of worker against company and, worst of all, as I read the legislation, as I understand it, it would then say: The first contract with the company is not negotiated, it is written by Federal mediators.

Give me a break. We are going from a system that has improved America to the safest, most productive, most opportunistic country in the world, where we have no child labor, we have minimum wages, we have hourly standards, we have worker protections, we have overtime, we have comp time, we have OSHA, we have regulatory commissions of every type to ensure, and we have good union management relationships in most places in this country.

Why is this before us? It is before us because there has been a decline in union membership. It is before us because the problems that gave way to the union movement have been solved in large measure, and we have responded with the laws necessary to

protect people and their rights regardless of age or sex or disability. We have done that.

But the union movement has not changed with the times. There are exceptions. There are many great relationships today. One of them is SMACNA, the Sheet Metal and Air Conditioning Contractors' National Association. I happen to know a little bit about these folks because of my work in development and construction. They have a partnership with their union. It is not an adversarial relationship. They have taken advantage of the Wagner Act.

We must preserve a system that protects workers. Ours is a neutral system, a level playing field for those who wished to be organized and those who wished for organization not to take place. They have a level platform.

I don't know why it is coming to the floor. I don't know why it is not going through the committee system. I don't know why it is going to be a quick 1-day vote, which is my understanding of the way it will be.

I will stake my claim on 72 years of success under the Wagner Act, under the right to protect and continue to protect the secret ballot, and of my desire to see to it that we honor those things we have created in response to the bad things that happened in the early part of the 20th century. Why change a good thing? Yes, we have a decline now in the union movement. Buy why do you all of a sudden create a situation of intimidation, an unbalanced situation, an uneven playing field, all for the sake of trying to save a movement that won't save itself?

I submit there is today, has been in the past, and will be in the future a viable place for the collective bargaining of workers and for unions but not if it is an unlevel playing field, not if the company and management don't have the same equal rights as do those workers, and not, most importantly, if those workers don't have protection of the secret ballot.

As I understand it, the vast majority, over 70 percent of union members, like the secret ballot. Over 70 percent of Republicans and Democrats—far more than that—like the secret ballot and think card check is crazy. To date, the only thing I have seen endorsing card check in print was the 2005 Communist Party convention in the United States which endorsed card check and the Employee Free Choice Act. Give me a break. This is one time where we ought to ratify what is right with America, ratify the success we have had in the past, honor the ills we corrected, honor the employees who make America work, continue to see to it that the employees do have a free choice, a private choice, a secret ballot, and continue to work in the greatest country on the face of this Earth with the greatest worker protection of any nation in the world.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. Madam President, later today a great injustice is going to be hoisted upon the American people, and a great shame about this injustice is that a great many Americans won't even hear about it. If our friends on the other side—if their plans hold, later today they will call up H.R. 800, the horribly misnamed Employee Free Choice Act, which would deny workers all over this great country their right to cast a private ballot when choosing whether to join a union. I find it pathetic that at a time when our Nation is at war, every day additional illegal immigrants enter our borders, and energy prices are at their peak, our friends on the other side are turning away from the important business the American people sent us here to do and are instead insisting on spending the next couple of days paying back their union cronies.

If I am not mistaken, I recall reading that the energy package is the ''second highest legislative priority'' for our friends on the other side in the Senate. I guess that means that because we are interrupting that ''high'' priority, paying back the unions must be their very first priority.

Much has already been said about the denial of a National Labor Relations Board-supervised and protected secret ballot election, a private vote on whether employees want to be represented by a union. It seems to me that the Democrats' and the unions' real objection to private ballot elections is not the form of vote, a secret ballot versus card check; their real objection is ever since the 1947 Taft-Hartley amendments, the law allows employers to communicate with their employees about union organization. What unions really want is to silence the employer during a union organizing campaign through a card check process. Then the union would be able to persuade or even intimidate the employees so the union can be certified based on a card check as soon as the union gets to a majority, no matter how ephemeral that support really is.

What that means is that if the union gets 50 percent plus one talking to the employees, then that company automatically becomes unionized without a secret ballot election. But it is even worse than that. The way they have drafted this bill, it will lead to mandatory arbitration, which will result in the Government setting the terms and conditions of employment, even pension plans. That is even worse than the card check aspect, which is about as bad as it gets. The real key for the unions is that the process be within the union's control and before the employer has an opportunity to communicate with the employees. In effect, the unions want to force employer neutrality based on the employer's inability to respond to a union organizing campaign.

How quick must the quick certification process be to satisfy unions? NLRB statistics reveal that in 2006, 94.2 percent of all initial representation elections were conducted within 56 days of the filing of the petition with the NLRB and that the median time was 39 days. Apparently for union organizers, a little over a month is too long for them to maintain majority support, although it is important to note that under the current secret ballot election procedures, unions still win about 60 percent of all elections. That is fine as long as there is a balance in these programs, as long as both sides are treated fairly.

Also union authorization cards make it virtually impossible for employees to change their minds, which can happen in the privacy of the voting booth. Revoking a signed union authorization card is virtually impossible today, when cards are used to trigger NLRB-supervised elections. You can imagine how hard it would be for an employee to revoke a signed card under a card check process.

The U.S. Supreme Court has said that union authorization cards are ''inherently unreliable'' indicators of employee support. Even unions themselves have stated that union authorization cards are less reliable than NLRB-protected private ballot elections. But the real reason unions seek card check is not because it is more reliable but because it can be controlled entirely by the union before the employer can address the union campaign propaganda. What that really means is that employees will be denied an informed choice.

Under current law, to convince employees to vote for a union, the union may use the pressures of the employee polls and interrogation. Unions may make predictions. They may promise benefits, whether achievable or not, and they may make false statements about the employer. It may well be that the labor leaders have never been able to negotiate the wages and benefits they promise will result from the formation of a new union. It may be that the union, in fact, has negotiated contracts with other employers in the same industry and geographic area that are less generous than the employees currently receive at the location being organized. The union's claims about the employer's safety record, its compliance with employment laws, its business practices, its executive compensation, its future business plans, and so forth are grossly exaggerated. If we silence employers, who is going to inform the employees of these facts? Certainly not the union.

Of course, employees may know well that in general their employer would prefer not deal with a union, but if, as a result of card check, employers are prevented from responding to a union's campaign misstatements, who will?

That is not a license for an employer to threaten, intimidate, or coerce employees during an organizing campaign. Under current law, employers are not permitted to threaten, coerce, or promise new benefits or threaten withdrawal of existing benefits. But under

current law, the employer can respond factually to the campaign-puffing of the union so that the choice made by the employees is an informed choice. Through a quickie card check process, that ability will effectively be denied.

So let's be clear: When down the road the union lobby offers to compromise by preserving secret ballot elections supported by a majority, even a supermajority, of signed union authorization cards but only where such secret ballot elections are conducted by the NLRB in a week or two from the date the union files an election petition, it will be no compromise. There are still a few of us around who remember the quickie election provision of the so-called labor law reform bill in 1977 and 1978. The unions then, just as today, were seeking to in effect silence employers during union organizing campaigns. Today, they are seeking that result by denying workers secret ballot elections. If they thought they could get away with it, unions would have Congress repeal employer free speech rights entirely.

Denial of employee secret ballot elections and denial of free speech vital to ensure an informed choice doesn't sound very much like employee free choice to me. It sure doesn't sound very democratic with a small ''d'' or even a large ''D.'' That is only part of it. If you get into the mandatory arbitration that will inevitably occur because they won't be able to negotiate, in fairness, union contracts, you are going to have the wonderful people here in the Federal Government telling not only the unions but especially the businesses what they can and cannot do. They will set the terms and conditions of employment by mandatory arbitration and, in the end, they will also basically determine things such as pension plans. This isn't right.

We believe in secret ballot elections in this country. We believe in fair processes. As I have said, the process works pretty well because unions win 60 percent of these elections. When they win fairly, that is the right thing. That may be a good thing. The fact is, under this bill, it stacks the whole labor process in favor of one side—the unions—and takes away the rights of employers to be able to inform their employees of the truth if there are misrepresentations by the union and, even if there aren't, to inform their employees how much better off they may be without a union so that they can make truly an informed choice. There are decent provisions in the labor laws that permit a reasonable, decent, honorable process.

What really interests me is that the trade union movement is demanding a secret ballot election process in other countries. Why would they demand it in other countries and yet deny it here for both employers and employees in these very important decisions that have to be made by employees under our current very fair laws?

Right now, the balance is a little bit in favor of unions. That is maybe as it should be. But at least it is a balance. Both sides have basically an equal chance of keeping unions, accepting unions, or denying unions.

Frankly, one of the reasons my friends in the trade union movement want this type of an unfair process is because they have been losing members. It is easy to see why. We are on an energy bill right now that may be the death knell of our automobile industry if we don't handle it exactly right. The fact is, we could lose the American automobile industry, run by Ford, General Motors, and Chrysler, if we don't handle it properly. We will go to foreign-made cars. That would be disastrous, in my opinion. But part of the reason is the unions have negotiated contracts that are so expensive that a lot of the companies just can't produce the high-quality cars at reasonable prices that they used to be able to do.

There are good reasons for unionization. I am one of the few people here who actually held an AFL–CIO union card. I came up through the trade union movement, learned a trade through a formal apprenticeship, became a journeyman, a skilled tradesman. I believe in unions. I believe in a fair collective bargaining process. But it ought to be fair. One of the ways you make it fair is by having secret ballot elections. In this particular case, this hoax which is going to be brought up on the floor and done in a very quickie way is not the way to go.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TESTER). Without objection, it is so ordered.

OUR NUCLEAR DETERRENT

Mr. DOMENICI. Mr. President, for more than six decades, the bedrock of American national security has been a strong, reliable, and cutting-edge nuclear deterrent. Literally thousands of the best scientists and engineers in the world have dedicated themselves to ending World War II, winning the Cold War, and protecting the free world.

Each year, the Directors of the three national nuclear weapons laboratories must certify to the President, and through him to the rest of the United States, that our nuclear weapons systems are reliable. That certification process assures Americans, and warns our adversaries, that the Nation's nuclear stockpile will be able to continue to perform its basic mission—prevention of a nuclear weapons exchange.

During these six decades, discussion of the nature and size of our nuclear deterrent has been literally constant. Each year, hundreds of scientists, engineers, and global strategists devote innumerable hours and days to intense discussions of the proper strategy for the Nation and the proper nuclear stockpile to implement that strategy.

Each year, Presidents have recommendations based upon the work of specialists inside and outside the Federal Government. Since the end of physical testing of our nuclear weapons stockpile—a big event; and, in fact, a major event in American nuclear weapons evolution, the idea we would no longer test our weapons—America has relied on a concept called stockpile stewardship to try to keep our nuclear weapons resources certifiably reliable.

This Nation has already embarked upon, and through three different Presidents has reaffirmed, a commitment to physical testing-free testing that has cost billions of dollars. Our strategy has been simple: the most reliable weapons without physical testing, upgraded as strategy dictates.

At the same time, the United States has embarked on a major reduction in the size of our stockpile and in the nuclear stores of other nations. We have done this through programs this Senator has supported and authored during the past 20 years. I salute Senator RICHARD LUGAR, my colleague from Indiana, and former Senator Sam Nunn of Georgia, for their groundbreaking work in forging these programs, and I am proud I have been able to work with them in these critical efforts.

Because of these initiatives—the Nunn-Lugar, Nunn-Lugar-Domenici, the Nuclear Cities Initiative, the Global Initiative for Proliferation Prevention, the Nuclear Nonproliferation Research and Development Program, and others—our world is safer.

In total, under Nunn-Lugar, we have deactivated 6,982 warheads, 644 ICBMs, 485 ICBM silos, 100 mobile ICBM launchers, 155 bombers, 906 air-launched cruise missiles, 436 submarine-launched ballistic missile launchers, 611 submarine-launched ballistic missiles, 30 strategic missile submarines, and 194 nuclear test tunnels. Indeed, nine more warheads were deactivated in the last month.

We have offered thousands of Russian nuclear scientists alternative pay and occupations, in hopes they will be less susceptible to blandishments from other parties. We are sharing nonproliferation efforts with other nations beyond the former Soviet Union states.

In more stark terms, under the Washington-Moscow Treaty, ratified by the Senate and signed by the President, we will have in our nuclear stockpile, by 2013, fewer weapons than at any time since the era of President Eisenhower. We will have fewer nuclear weapons than we had, in other words, before the Cold War began in earnest.

So this two-pronged approach—international cooperation against proliferation and for elimination of weapons, coupled with the inception of Science-Based Stockpile Stewardship—has been America's strong response to the need to reduce the danger of both nuclear

weapon stockpiles and physical nuclear testing.

Almost a decade ago, in a speech at Harvard University, I outlined what I called a new nuclear paradigm. That paradigm envisioned, among other things, a cut in American nuclear weapons to what I then called a threat-based nuclear stockpile; that is, a stockpile commensurate with the anticipated international threat to our Nation.

Critical to that concept was, and remains, the principle of reliability and the continuous battle against degradation of our present stockpile. No serious expert advocated simply keeping the very same physical weapons we had 20 or 25 years ago, with no upgrading or improvements. At some point, the degradation of components in those weapons would mean the certification necessary from the three weapons labs Directors to the President could not be honestly made.

In short, without upgrades and continuous nonphysical monitoring, our nuclear weapons deterrence could be put in serious doubt. Yet at this very time, the youngest nuclear weapons designs in our arsenal are 20 to 25 years old. Age-related component degradation could impact several different systems at the same time, calling into question reliability.

For the past several years, this Senate has supported, on a bipartisan basis, spending the money necessary to protect our stockpile from degradation. At the same time, we have recognized some of our systems are too complicated, pose risks to workers, and need substantial upgrading.

This background brings me to the present Energy and Water Development Appropriations bill for fiscal year 2008 proposed by the House Appropriations Committee and scheduled for House floor action this week.

That bill, if enacted without substantial change, would send American nuclear deterrence strategy in a new, unknown, direction. Think about that. More than 20 years of intensive study, by some of the best minds in the world, could begin to be overturned by enactment of a single appropriations bill. The new direction wouldn't be enacted as the result of 3 to 4 years of intensive study and hearings by all of the relevant committees of Congress. It wouldn't result from a convocation of the best minds at our disposal. It wouldn't result from the kind of painstaking analysis of future risks that any prudent American would demand from its government. No, that new path would begin by a single appropriations bill, devised by a small group with the best of intentions, but far from public view and analysis. In that regard, I ask unanimous consent that an article from the Washington Post, ''Congress seeks new direction for Nuclear Strategy,'' by Walter Pincus, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 18, 2007]

CONGRESS SEEKS NEW DIRECTION FOR NUCLEAR STRATEGY

(By Walter Pincus)

Congress is moving to change the direction of the Bush administration's nuclear weapons program by demanding the development of a comprehensive post-Sept. 11, 2001 nuclear strategy before it approves funding a new generation of warheads.

''Currently there exists no convincing rationale for maintaining the large number of existing Cold War nuclear weapons, much less producing additional warheads,'' the House Appropriations Committee said in its report, released last week, on the fiscal 2008 Energy and Water Development Appropriations Bill. The full House is expected to vote on the measure this week.

The Bush administration had sought $88 million for the Reliable Replacement Warhead program next year so that cost and engineering studies could be completed and a decision could be reached on congressional approval to build the first RRW model, with the first new warheads ready by 2012.

The House already passed the fiscal 2008 Defense Authorization Bill, which reduced RRW funding and called for development of a new nuclear weapons strategy before steps are taken to produce new warheads.

While the Senate has yet to act on the authorization or appropriations measure, the Senate Armed Services and Appropriations committees are expected to follow the House's example by reducing proposed RRW spending and demanding development of a new nuclear weapons policy.

Rep, Ellen O. Tauscher (D–Calif.), chairman of the House Armed Services subcommittee that handles strategic weapons, said in an interview last week that she expects that the question of future U.S. nuclear weapons policy will be passed to the next administration, since the Bush White House is preoccupied with other subjects.

The House appropriations bill eliminates RRW funding and directs the Energy and Defense departments and the intelligence agencies to develop a ''comprehensive nuclear defense strategy based on current and projected global threats.'' And it slows down funding of the Bush administration's program to modernize the facilities where nuclear weapons are built, stored and dismantled.

''These multi-billion dollar initiatives are being proposed in a policy vacuum without any administration statement on the national security environment that the future nuclear deterrent is designed to address,'' the report said. ''[I]t is premature to proceed with further development of the RRW or a significant nuclear complex modernization plan.''

The committee pointed out that neither the Pentagon's Quadrennial Defense Review last year nor the administration's 2001 Nuclear Posture Review ''provided a long term nuclear weapons strategy or the defined total nuclear stockpile requirements for the 21st century.''

The House bill more than triples the amount the Bush administration is asking for dismantlement of old warheads and adds $30 million to modify a facility at the Nevada nuclear test site so it can be used for dismantling weapons. At present, the only facility that does that work is the Pantex plant near Amarillo, Tex., which also refurbishes currently deployed weapons.

Sen. Byron L. Dorgan (D–N.D.), chairman of the Appropriations subcommittee handling the nuclear program, has indicated he is thinking along the same lines, according to a senior Democratic staffer familiar with his views. ''The Tauscher approach makes sense,'' the staff member said.

He noted that senior Bush administration officials had not publicly supported the RRW program despite a request by Sen. Pete V. Domenici (R–N.M.), a former Appropriations subcommittee chairman and a proponent of the new warheads. The Senate subcommittee is expected to provide limited funds for the program ''so we have a couple of years to gather information while the next administration lays out future requirements.''

Mr. DOMENICI. Note an important point in this story. The funding cuts are proposed now; a new strategic direction will be forged later in this decade. Such an approach is absolutely backwards. We should forge the new direction, if one is believed appropriate in a world of increasing threats to our security, after great study. We should fund our present strategy, 20 years in the making, now.

The House Bill and the Post story focus on the so-called RRW, the Reliable Replacement Warhead. The RRW is a proposed new element of administration policy. The intent of the RRW, to enable increased reliability and design simplification in weapons of comparable explosive yield is, in my view, a very appropriate consideration, which may well result in the ability to maintain still smaller future stockpiles supported by a still smaller future weapons complex. But, as other legislators have suggested and as I noted in the last paragraph, I agree that a study of the complete role of the RRW in the Nation's nuclear deterrent is appropriate. That study must involve far greater resources than those involved in the House report language. Furthermore, Congress will have many opportunities to review and finalize any decision for actual deployment of the RRW, but the funds proposed for investment in the RRW now should provide the detailed data to underpin any future congressional decision to shift portions of our deterrent to that design.

But far beyond the RRW debate, with or without any RRW, stockpile stewardship is absolutely vital to our national security. As long as this Nation requires a nuclear deterrent in our defense or in support of our allies, we must maintain the skills and infrastructure that support the viability of that stockpile. That must include both trained people and the facilities to enable their work to proceed. Th House bill does harm to the Stockpile Stewardship Program. It cuts all funding for the new CMRR facility, which would replace the present facility, which will be inoperable after 2010. Without a new facility, our Nation will not be able to support the pit mission, which is a single point failure in the complex. Without a viable pit capability, the U.S. nuclear deterrent is vulnerable. The House bill cuts the Nuclear Material Safeguard and Security Upgrade, required to meet the Design Basis Threat around the key nuclear facilities that contain special nuclear material; it would cut stockpile services, the foundation of the production capability for our Nation; it would cut almost in half

our pit mission, the critical component of our nuclear deterrent systems; it would cut funding for the repair and elimination of old and unused facilities that now drain funds from required new facilities; it would cripple advanced computing, the key to science-based stockpile stewardship; force the shutdown of LANSCE, the accelerator needed for a variety of research; and, cut the Z machine, another component of our nonphysical testing regime.

I urge all my colleagues to attend to this debate as it moves through the House and to markup in subcommittee next week on the Senate side. Implementing and funding a new strategic policy after extensive debate is intelligent; defunding critical parts of our present strategy without a clear new path in view poses serious risks to our national security.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time controlled by the minority has expired.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I believe we are in a period of morning business.

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Mr. President, I yield myself 12 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF THE CHARLESTON FIREFIGHTERS

Mr. KENNEDY. Mr. President, my heart goes out this morning to the families of the nine fallen firefighters in Charleston, to my colleagues Senators GRAHAM and DEMINT, and to the people of Charleston. These fallen heroes made the ultimate sacrifice to protect their fellow citizens. Today we remember them and all firefighters and their families for whom courageous service is a part of their everyday lives.

My home State of Massachusetts endured a similar disaster several years ago when six firefighters died in Worcester, MA. I read a poem at the funeral of those fallen heroes, and I would like to read it again now. I hope it brings some small measure of comfort to those whose hearts are aching today for their brave husbands, fathers, brothers, and friends who perished so tragically.

The poem is called ''May They Not Be Forgotten.''

Brother when you weep for me,
Remember that it was meant to be.
Lay me down and when you leave,
Remember I'll be at your sleeve.
In every dark and choking hall,
I'll be there as you slowly crawl.
On every roof in driving snow,
I'll hold your coat and you will know.
In cellars hot with searing heat,
At windows where a gate you meet,
In closets where young children hide,
You know I'll be there at your side.
The house from which I now respond
Is overstaffed with heroes gone.
Men who answered one last bell
Did the job and did it well.
As firemen, we understand
That death's a card dealt in our hand,
A card we hope we never play,
But one we hold there anyway.
That card is something we ignore,
As we crawl across a weakened floor.
For we know that we're the only prayer
For anyone that might be there.
So remember, as you wipe your tears,
The joy I knew throughout the years
As I did the job I loved to do.
I pray that thought will see you through.

EMPLOYEE FREE CHOICE ACT

Mr. KENNEDY. Mr. President, I wish to address the Senate on a matter we will have an opportunity to vote on as this week goes on; and that is the Employee Free Choice Act. I think to understand this issue, we have to understand what has been happening to the middle class, the working families in this country over the period of these last 30 years and what happened to the middle class in the 20 or 30 years before that and what happened at the turn of the century as we came into the 20th century.

In my own State of Massachusetts, at the turn of the century, coming into the 1900s, we had the most extraordinary and excessive exploitation of American workers. They were not just American workers, they were children.

All one has to do is travel up to Lowell, MA, where we have a national park, and travel through the areas that are preserved—some of the old textile mills—and you will read, encased in many of those wonderful viewing stands, these letters of children who were 8 or 9 or 10 years old who worked 15 hours a day. They were paid very minimum salaries, and they were required to work. We had the exploitation of women in those conditions. The conditions were extraordinarily dangerous. We had the wages that were completely inadequate to provide a decent wage for people who were working long and hard.

Then we saw the changes that took place in the 1940s as workers came together and demanded economic and social justice. We saw the changes that took place in the workplace in terms of fairness and equity. Interestingly, we saw the vast increase in productivity. The American economy grew stronger. The middle class were the ones who brought us out of the Great Depression, the ones who fought in World War II, the ones who put us back on track after we had 16 million Americans who served in World War II and brought us back to a strong and expanding economy, where everyone moved along together. Everyone moved along together.

We made enormous progress during the 1950s and the 1960s and in the early 1970s. We made economic progress for workers and working families, and we made social progress too. We passed Medicare and Medicaid. We passed the higher education bill. We passed legislation to stop child labor. We passed a whole range of different kinds of programs to make this a more fair and a more just country with strong opposition, but I don't hear any effort to try and repeal those marks of progress we made in terms of economic and social justice. And, the courts obviously filled an enormous responsibility.

So what happened during this period of time? I am putting up a chart that shows the number of abuses of workers. This part of the chart shows from 1941 to 1966. During this period of time, we had what we are talking about—majority sign-up. We had it in effect during this period of time, interestingly enough. Card checkoffs were in effect during this period of time, from 1941 all the way up to 1966 and then the National Labor Relations Board and the Supreme Court gradually eliminated of that protection. Then we found an increase in the various abuses we had during this period of time; that is, firing workers who were interested in trying to form a union. The refusal to accept the outcome of an election. We find a series of different kinds of abuses to make it more and more difficult for people to be able to join the unions.

But what we had here is the fact that we had labor and management agreements and we had progress and economic prosperity during this period of time.

This chart shows during that same period of time, where we talked about actually peak union membership, wages and productivity rise together. Look at from 1947 to 1964. We see an increase in productivity and an increase in wages and America moved along together. There was economic progress that moved along.

Then, as we find the unions beginning to decline, we find that workers are falling further and further and further behind. Wages now have flattened, basically, and often, in terms of their purchasing power, have actually gone down. We see that since the loss of card check, productivity grew 206 percent more than wages.

So we had the idea that workers were able to get together and represent their views, and we had the increase in productivity. Then we saw the country making very important progress.

Well, how is that reflected in the Nation? This chart shows what was happening in that same period of time, from 1947 to 1973. Growing together. Here it is in 1947, 1957, 1967, up to 1973: The lowest, 20 percent; the second, 20 percent; the 20 percent in the middle; and then, fourth and fifth, virtually all the same in terms of real economic growth during the same period I just pointed out where we had maximum union activity, increasing productivity, and the Nation, the United States of America, all growing, growing, and growing together. That was going on from 1947 through 1973.

I see my friend from the State of Washington. How much time—I can make this long or short. How much time do I have?

The PRESIDING OFFICER. The Senator has 2½ minutes.

Mr. KENNEDY. If we divide a half hour between us, I would then have how many minutes?

The PRESIDING OFFICER. Let me back up. There is 20 minutes remaining in morning business for the majority.

Mr. KENNEDY. All right. Well, then I yield myself 5 minutes, which would be a total of 15 minutes, if that is agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. If the Chair would let me know when I have 1 minute.

We have just seen what has happened from 1947 to 1973 through the course of the middle class. Now let's take a look at the years 1973 to 2000. We have the beginning of America growing apart. Look what is happening. The lowest, the second lowest, the middle, the fourth. Look at what is happening at the top: 20 percent, growing higher during this period of time. This was the beginning of the Reagan revolution that was taking place, extraordinary tax programs that were taking place, reflecting itself in how America is growing. Are we growing more together, or are we growing more apart?

Look what has happened now in the most recent times. The lowest 20 percent, because of the rates of inflation, are actually going down. Then the second 20 percent, the middle 20 percent—and the top 1 percent is the one that was growing during this period of time.

What has happened at the same time is that we see the corporate profits have now gone up 63 percent more compared to workers' wages and benefits, which have now basically stabilized. This country, the United States, grows together, works together. We are a united people. We see what has been happening as a result of the fact that unions have been effectively attacked and diminished in this country.

Before I conclude, this past Sunday was Father's Day. Look at the difference between fathers and sons in 1964 and 1994. From 1964 to 1994, what we have seen is the sons did better. The middle class was expanding. The sons did better than their fathers over this period of time. There was growth. Look what is happening from 1974 to 2004: a decline of 12 percent. The son is doing poorer than the father for the first time in the history of this country—the first time in the history of this country.

We know the corresponding difference. We had workers who were able to get together, and we find out there is a corresponding increase. When you diminish the unions, you diminish the power of working men and women. That happens to be the fact.

What is the trade union movement asking for? All they want is what we had years ago. All they are asking for is what we had during the period from 1947 to 1966, and it worked then. Look at the wages and productivity and what happened in the United States of America. We all grew together. We all grew together. So why this emotional reaction and response from the other side: My God, the Employee Free Choice Act. This is some crazy idea that we can't possibly even think about or even tolerate.

This is an idea that has been tried and tested. How few the times are in the Senate when we are trying to do something that has been tried and tested and successful. We had the measure which was effectively the card checkoff during the period when wages and productivity grew together and we had the fact that America, the United States of America grew together.

That is the choice we have in the Employee Free Choice Act. Are we going to go back to this period of time when we as a country and a society grow together, or are we going to continue to grow apart? That is the heart of the question, and the Employee Free Choice Act is really the resolution and the solution.

So I look forward to more time. I see my friend. I have taken time now. I am thankful that my good colleague and friend from the State of Washington wishes to address this issue. This is very basic and fundamental about our country and about the kind of America we want.

I come from a State that takes pride in the fact that the *Mayflower* arrived on the coast off of Massachusetts, and the captain and the crew came together after 6 weeks and they signed the Mayflower Compact. And that is the compact that made Massachusetts a commonwealth. What is a commonwealth? It is a common interest in all of the families saying we are going to work together to make a better State, a better country, a better nation, a better world. That is what is at the base of this legislation and what it is all about, and I hope the Senate will give us a chance to vote in favor of it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I come to the floor this morning to join my colleague from Massachusetts and thank him for his work. I rise today to voice my support for workers, for their families, and for their right to share in the prosperity the Senator from Massachusetts talked about that they helped create for this country.

As chairwoman of the Employment and Workplace Safety Subcommittee, protecting workers' rights is a critical priority for me.

In last year's election, we all heard the voice of America's voters calling for change. I am very proud to say that Democrats have been working very hard to help working Americans and their families secure a better future, and we are making progress. We recently, in fact, passed legislation to increase the minimum wage—the first increase in a decade. For the first time in 10 years, many Americans now have the opportunity to begin to lift themselves out of poverty. So we are moving in the right direction.

But our work doesn't end there. Now it is time to help workers by ensuring that their voices are heard in the workplace—voices for better benefits, voices for better wages, voices for better health care, and voices for better pensions. As we all know, unfortunately, today in too many of our workplaces workers who do try to exercise their legal rights are blocked by an unbalanced system that can trap them in unacceptable working conditions. I think it is time for Congress to stand with our Nation's workers and give them their voice back by strengthening protections for our workers so they can freely choose to join a union.

The Employee Free Choice Act will make the promise of employee choice a reality, and it will restore the balance of the relationship between our employers and our employees. I am very proud to be a cosponsor of this important and balanced legislation.

So why is this bill necessary? Well, because workers should be able to share in the prosperity they helped to create. This bill is an important step in helping millions of working families get their fair share of the economic pie.

Our Nation's greatest asset is our people. American workers drive our economy. Their determination for a better future bolsters our Nation's prosperity. That is why I was so concerned to learn that workers believe the American dream is slipping away from them today. In fact, according to a poll conducted earlier this year by the Change to Win Federation, 82 percent of those surveyed said they believe working families are falling behind. I find that troubling, given that worker productivity has increased 3.1 percent each year between 2000 and 2004, and that corporate profits have more than doubled since 2001.

To me, it doesn't add up that American workers and American families are the ones who are losing. They are working very hard to help our country prosper, but they are not reaping their fair share of the benefits.

Unions can make a very positive difference. They allow our workers to collectively express their voices to employers on working conditions, health care, pensions, and other benefits, and the benefits we are talking about lead to better lives for Americans. Women who belong to a union earn 31 percent more than women workers who are not union members. That is an extra $179 a week and $9,300 more a year in income. Think about it. An extra $179 could help working moms put more food on the table for their family or help to pay for the education of a son or daughter. It could help her put a little more away for retirement, making she and her family less dependent on Social Security.

Workers who are union members are twice as likely to have employer health care coverage. Union families who pay insurance premiums for their coverage pay 36 percent less than their counterparts, saving them almost $1,300 a year.

With the enactment of the Employee Free Choice Act, it is estimated that up to a quarter of a million workers and their families in my home State of Washington alone would participate in their employer's health insurance plan. That is a step in the right direction for the 866,000 Washington State residents who were uninsured in 2005. They are also more likely to have guaranteed pensions. Sixty-eight percent of unionized workers are covered compared to only 14 percent of nonunion workers—68 percent compared to 14 percent.

The AFL–CIO estimates that up to 250,000 Washington State workers would participate in their employer's defined benefit pension plan with the passage of the bill we are talking about today.

Workers recognize the benefits that unions offer them. In fact, 53 percent of U.S. workers say they would join a union if they could.

Clearly unions empower their members to access better benefits and provide a better life for their families.

But what about other workers, those who don't belong to a union? Are unions beneficial for the rest of us? The answer is an emphatic yes.

Unions have forged the way for millions of working families—union and nonunion—to share in the prosperity they helped create.

Progressive employment policies such as the minimum wage, the 8-hour work day, the 40-hour work week, employer-provided health care and pension plans emerged from the labor movement and have become the standard in today's workplace.

I think we can all agree that unions benefit our society as a whole. I am sure the 60 million U.S. workers who say they would join a union if they could think so, too.

Why is union membership declining when so many workers want to join and unions clearly benefit all of us. As it turns out, exercising your right to organize with other workers isn't an easy task under our current system.

The system is broken. We all know that a fair labor market can only exist when employers and employees have a respected voice in the system. I am sorry to say that is not the case today.

Some unscrupulous employers are silencing employees who try to join a union to better their economic situation for their families, and that is not fair.

Under current law, workers who want to join a union use the majority sign up method to let the union know they are interested.

Then, employers have the power to make a choice.

They can choose to recognize their employees' wishes, and many progressive employers do, or they can demand a NLRB election, stalling the process and silencing the voices of their employees.

During the election process, employers have unlimited access to workers in the workplace. They can require workers to attend mass meetings to hear antiunion messages and even require one-on-one meetings between supervisors and employees. And, under our country's labor laws, these practices are perfectly legal.

I think we can all understand how intimidating these tactics can be. More often than not, employers create an unfriendly work environment where employees don't feel comfortable discussing unions or their benefits. In many cases they fear for their livelihood, and rightfully so.

Unlike the peer relationship between coworkers, employers hold a special position of power over their employees. Employers have power over a worker's wages and benefits and, ultimately, they can fire an employee.

A recent analysis from the National Labor Relations Board shows that one in five union supporters are illegally fired for union activity during the organizing campaign.

Too often, workers who clearly voice their desire for representation have been silenced by their employers.

On the other hand unions do not have access to workers while on the job. They are not allowed to enter the workplace at any time to meet with employees. Employees interested in learning about union membership must meet with representatives and employees on their own time.

The Employee Free Choice Act does nothing to change this relationship. It does not limit the access employers have to workers. And, it doesn't expand the union's access to employees on the job.

If employees make it through this obstacle and elect to form a union, the ordeal is not over yet. Bad faith employers can drag out the initial negotiations process, often for years, using the time and their unlimited access to employees on the job to convince them that unions are a bad idea.

It is easy to see who holds most of the cards in this relationship. Workers shouldn't have to risk their livelihoods to exercise their right to form a union. But it happens all the time.

Hardworking Americans shouldn't have to go through such an ordeal to form a union. The Employee Free Choice Act can help eliminate some of the unfair barriers that workers face and make it easier for them to organize.

How does this bill address the problem?

The Employee Free Choice Act can make a difference. It can help workers gain a respected voice in the conversation with employers, and it can penalize bad faith actors who break the law.

First, the bill ensures that employees who want to organize can do so without interference. By allowing employees to choose majority sign up, the Employee Free Choice Act gives workers their voice back.

Second, this bill ensures there's time for reasonable negotiations, but it does not allow one side to act in bad faith and string employees along in a never-ending process that is designed to block their ability to self-organize.

Third, this bill will hold bad actors accountable if they break the law. According to ''American Rights at Work,'' every 23 minutes in America, an employer fires or retaliates against a worker for their union activity.

We shouldn't tolerate illegal discrimination and retaliation against workers who are just trying to exercise their rights. If an employer violates the rights of its employees and is charged by the National Labor Relations Board, this bill will impose stricter penalties.

It balances the playing field by requiring that the NLRB stop bad faith employers from interfering in a union campaign or contract negotiations.

It puts teeth in the current law by making employers who break the law pay three times back pay and imposes civil penalties for unfairly discriminating against pro-union workers.

This will ensure that breaking the law doesn't just become part of ''the cost of doing business.''

Some would have us believe that the Employee Free Choice Act radically changes the rules of the game or takes away employers' rights. Nothing could be further from the truth.

First, it does not eliminate the secret ballot. I am pleased that this bill gives employees the opportunity to vote by secret ballot if they so choose. For too long, some employers have had control over the balloting process, and this bill gets the balance right by making sure employees have the free choice to use a secret ballot or majority sign up.

Second, it does not create a new process. Some would have us believe this bill upsets the current system by creating a new process for forming a union. But majority sign up has always been allowable under the law. Today, some progressive employers voluntarily recognize their employees' choice to organize.

Third, it does not trap employees into union membership. Opponents of this bill would also have us believe that allowing employees to choose majority sign up as their preferred method for choosing a union would lead to union coercion or would trap other workers into union contracts against their will. That is not true.

Let's look at the facts about coercion and intimidation.

American Rights at Work found that antiunion behavior is widespread among some employers. Among those employers faced with a union campaign, 30 percent of employers fire prounion workers; 49 percent of employers threaten to close a worksite when workers attempt to form a union, although only 2 percent actually do; 51 percent of employers coerce workers into opposing unions with bribery or favoritism—both are illegal; 82 percent of employers faced with an organizing campaign hire union-busting consultants to stop union campaigns; 91 percent of employers force employees to

attend one-on-one antiunion meetings with their supervisors.

Some would have us believe that unions can be just as bad, but the data doesn't back that up.

In her testimony before a House committee earlier this year, Nancy Schiffer, an attorney with AFL–CIO, told that they had reviewed 113 cases cited by the HR Policy Association as ''involving'' fraud coercion.

It found that only 42 decisions actually identified coercion, fraud or misrepresentation in the signing of union authorization forms—and that's since the passage of the National Labor Relations Act in 1935. That is less than one case per year.

Compare that one case a year with the more than 31,000 cases filed in 2005 alone of employers engaging in illegal firings and other discrimination against workers for exercising their right to form a union. Clearly, unions have proven to be good faith actors in this process.

Fourth, it does not change an employer's free speech or property rights. One thing this bill does not change is the access to employees that exists today. Currently, employers have full access to employees during the workday. Unions do not. This bill leaves that relationship unchanged.

Finally, it does not bankrupt or harm businesses. Opponents to this bill would also have us believe allowing workers the free choice of forming a union would be bad for business or would bankrupt employers. Again nothing could be further from the truth.

We know that majority sign up can work for employers and employees because it is already happening for some progressive employers. Take Cingular Wireless, now known as AT&T, for example.

In my home State of Washington, we have seen proof that companies can remain competitive and profitable and still follow the law and respect worker rights.

Cingular Wireless gave its workers in Bothell, WA, the free choice they are entitled to. As a result, nearly 1,000 workers in my hometown decided to organize, and Cingular won praise for its responsible, respectful approach to employee choice.

Today, the company continues to be one of the top wireless providers in the country. Choosing to respect their employees' choice to unionize did not bankrupt them or make them any less competitive.

This bill helps us find the right balance in relationship between workers and management. I hope that my colleagues will join with me in raising our voices in support of workers and their families by voting yes on this bill.

Thank you Mr. President,

I wish to speak to amendment No. 1614 sponsored by Senators BYRD, LANDRIEU, WEBB, ROCKEFELLER, SALAZAR, and TESTER.

The energy bill we have been debating this week is going to bring us greater energy independence and clean up our energy supply to help combat climate change.

The bill is clean and green and will make great strides in developing clean energy sources, and increasing efficiency.

But we must admit that we have done little in this bill to address America's largest energy resource and also one of our largest polluters—coal.

Coal supplies over half of our electricity generation, it drives our industry and manufacturing and can be turned into a liquid transportation fuel to replace foreign oil.

Coal is relatively cheap and easily accessible.

We have enough coal for 250 years if we keep using it at the same rate that we are now.

Not only are we going to keep using coal, but most energy experts predict we are going to use more of it in the future.

But we have to start doing better when it comes to greenhouse gas emissions from coal.

I do not believe that government has been providing the right incentives to move the coal industry in the right direction.

RECOGNIZING THE HISTORICAL SIGNIFICANCE OF JUNETEENTH INDEPENDENCE DAY

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 231 and the Senate then proceed to its consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 231) recognizing the historical significance of Juneteenth Independence Day and expressing the sense of the Senate that history should be regarded as a means for understanding the past solving the challenges of the future.

There being no objection, the Senate proceeded to consider the resolution.

Mr. CARDIN. Mr. President, today is the 142nd anniversary of Juneteenth, a day when our Nation celebrates the complete abolition of slavery. The Emancipation Proclamation freed slaves beginning January 1, 1863, and brought to an end what Abraham Lincoln called ''two hundred and fifty years of unrequited toil.'' America's Civil War had ended at Appomattox, VA, in April 1865, but it was not until June 19, 1865, 2 months later, and a full 2½ years after the Emancipation Proclamation that the news finally reached Galveston, TX. That day has become known throughout our Nation as ''Juneteenth.''

In communities across the country, Juneteenth is an occasion for all Americans to reflect on a tragic period that shaped our Nation and continues to influence us yet today. For Marylanders, Juneteenth is a time to reflect upon our own history. Slavery existed in Maryland from the State's inception as an English colony. In 1664, slavery was officially sanctioned by law, and it thrived until 1864 when it was abolished with ratification of a new State constitution.

In 1820, Maryland's population was approximately 400,000, less than one-tenth our current size. The slightly more than 100,000 slaves in Maryland accounted for one-quarter of Maryland's population, while the 39,000 free Black Marylanders accounted for nearly 10 percent. By 1860, the State's overall population had grown considerably, while the number of slaves had declined to about 87,000, or 13 percent, while the number of slaves had free Blacks numbered about 83,000 or 12 percent.

Although Maryland was a slave State, it did not secede from the Union. And the contributions of Marylanders to the Union cause and the abolitionist movement did much to tilt the national balance in favor of freedom. Antislavery activists—Black and White, free and enslaved—took tremendous risks for the cause of freedom. Harriet Tubman, who was born Araminta Ross in Dorchester County, and Frederick Douglass, who was born Frederick Augustus Washington Bailey in Talbot County, were both born into slavery, put their own lives on the line as courageous crusaders for freedom. Having escaped their own captors, they dedicated their lives to fighting for the emancipation of all slaves. They are true American heroes.

This year, the Maryland General Assembly passed a resolution that I will quote here in part:

Resolved by the General Assembly of Maryland, That the State of Maryland expresses profound regret for the role that Maryland played in instituting and maintaining slavery and for the discrimination that was slavery's legacy; and be it further

Resolved, That the State of Maryland commits itself to the formation of a more perfect union among its citizens regardless of color, creed, or race; and be it further

Resolved, That the State of Maryland recommits itself to the principle that all people are equal and equally endowed with inalienable rights to life, liberty, and the pursuit of happiness.

Today, on the 142nd anniversary of Juneteenth, I wish to commend my former colleagues in the Maryland General Assembly for this resolution, and I urge all my colleagues in the Senate to join me in celebrating Juneteenth and honoring those who made that day possible.

Mr. LEVIN. Mr. President, today we celebrate Juneteenth Independence Day in observance of the date upon which slavery finally came to an end in the United States, June 19, 1865. It was on this date that slaves in the Southwest finally learned of the end of slavery. Although passage of the 13th amendment in January 1865 legally abolished slavery, many African Americans remained in servitude due to the slow dissemination of this news across

the country. Since that time, 143 years ago, the descendants of slaves have observed this anniversary of emancipation as a remembrance of one of the most tragic periods of our Nation's history. The suffering, degradation, and brutality of slavery cannot be repaired, but the memory can serve to ensure that no such inhumanity is ever perpetrated again on American soil.

Throughout the Nation, we also celebrate the many important achievements of former slaves and their descendants. We do so because in 1926 Dr. Carter G. Woodson, son of former slaves, proposed such a recognition as a way of preserving the history of African Americans and recognizing the enormous contributions of a people of great strength, dignity, faith, and conviction—a people who rendered their achievements for the betterment and advancement of a Nation once lacking in humanity towards them. Every February, nationwide, we celebrate African American History Month. And, every year on June 19 we celebrate Juneteenth Independence Day.

I am happy to join with my colleagues, Senators DURBIN, REID, OBAMA, STABENOW, BROWNBACK, KERRY, LANDRIEU, CARDIN, LIEBERMAN, MCCASKILL, CLINTON, LEAHY, KENNEDY, DODD, SANDERS, MENENDEZ, BROWN, PRYOR, and LAUTENBERG, in commemorating Juneteenth Independence Day with the submission of S. Res. 231, which the Senate has just adopted, in recognition of the end of slavery and to never forget even the worst aspects of our Nation's history.

Mr. DURBIN. Mr. President, today I am pleased that, S. Res. 231, a resolution recognizing historic Juneteenth Independence Day, has passed the Senate.

June 19 is an ordinary day for many Americans, is a significant day for those who know its history. Juneteenth Independence Day celebrates June 19, 1865, when Union soldiers led by MG Gordon Granger arrived in Galveston, TX, with news that the Civil War had ended and that the enslaved were free.

Americans across the United States continue the tradition of celebrating Juneteenth Independence Day as inspiration and encouragement for future generations.

The legislation recognizes the significance of Juneteenth Independence Day and supports its continued celebration as an opportunity for the people of the United States to learn more about the past and to understand more fully the experiences that have shaped our nation.

As Americans, we must remember the lessons learned from slavery. Juneteenth is a day that all Americans, of all races, creeds, and ethnic backgrounds, can celebrate freedom and the end of slavery in the United States.

I am pleased to recognize historic Juneteenth Independence Day and proud that the Senate has passed this important resolution.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 231) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 231

Whereas news of the end of slavery did not reach frontier areas of the United States, and in particular the Southwestern States, for more than 2 years after President Lincoln's Emancipation Proclamation of January 1, 1863, and months after the conclusion of the Civil War;

Whereas, on June 19, 1865, Union soldiers led by Major General Gordon Granger arrived in Galveston, Texas, with news that the Civil War had ended and that the enslaved were free;

Whereas African Americans who had been slaves in the Southwest celebrated June 19, commonly known as ''Juneteenth Independence Day'', as the anniversary of their emancipation;

Whereas African Americans from the Southwest continue the tradition of celebrating Juneteenth Independence Day as inspiration and encouragement for future generations;

Whereas, for more than 140 years, Juneteenth Independence Day celebrations have been held to honor African American freedom while encouraging self-development and respect for all cultures;

Whereas, although Juneteenth Independence Day is beginning to be recognized as a national, and even global, event, the history behind the celebration should not be forgotten; and

Whereas the faith and strength of character demonstrated by former slaves remains an example for all people of the United States, regardless of background, religion, or race: Now, therefore, be it

Resolved, That—

(1) the Senate—

(A) recognizes the historical significance of Juneteenth Independence Day to the Nation;

(B) supports the continued celebration of Juneteenth Independence Day to provide an opportunity for the people of the United States to learn more about the past and to understand better the experiences that have shaped the Nation; and

(C) encourages the people of the United States to observe Juneteenth Independence Day with appropriate ceremonies, activities, and programs; and

(2) it is the sense of the Senate that—

(A) history should be regarded as a means for understanding the past and solving the challenges of the future; and

(B) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States.

Mrs. MURRAY. Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CASEY). Morning business is closed.

CREATING LONG-TERM ENERGY ALTERNATIVES FOR THE NATION ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 6, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6) to reduce our Nation's dependence on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes?

Pending:

Reid amendment No. 1502, in the nature of a substitute.

Reid (for Bingaman) amendment No. 1537 (to Amendment No. 1502), to provide for a renewable portfolio standard.

Klobuchar (for Bingaman) amendment No. 1573 (to Amendment No. 1537), to provide for a renewable portfolio standard.

Bingaman (for Klobuchar) amendment No. 1557 (to Amendment No. 1502), to establish a national greenhouse gas registry.

Kohl amendment No. 1519 (to Amendment No. 1502), to amend the Sherman Act to make oil-producing and exporting cartels illegal.

Kohl (for DeMint) amendment No. 1546 (to amendment No. 1502), to provide that legislation that would increase the national average fuel prices for automobiles is subject to a point of order in the Senate.

Corker amendment No. 1608 (to amendment No. 1502), to allow clean fuels to meet the renewable fuel standard.

Cardin amendment No. 1520 (to amendment No. 1502), to promote the energy independence of the United States.

Domenici (for Thune) amendment No. 1609 (to amendment No. 1502), to provide requirements for the designation of national interest electric transmission corridors.

Cardin amendment No. 1610 (to amendment No. 1502), to provide for the siting, construction, expansion, and operation of liquefied natural gas terminals.

Collins amendment No. 1615 (to amendment No. 1502), to provide for the development and coordination of a comprehensive and integrated U.S. research program that assists the people of the United States and the world to understand, assess, and predict human-induced and natural processes of abrupt climate change.

Domenici (for Bunning-Domenici) amendment No. 1628 (to Amendment No. 1502), to provide standards for clean coal-derived fuels.

Bingaman (for Tester) amendment No. 1614 (to amendment No. 1502), to establish a program to provide loans for projects to produce syngas from coal and other feedstocks while simultaneously reducing greenhouse gas emissions and reliance of the United States on petroleum and natural gas.

The PRESIDING OFFICER. Under the previous order, there will be up to 2½ hours of debate with respect to amendment No. 1628, offered by the Senator from Kentucky, Mr. BUNNING, and amendment No. 1614, offered by the Senator from Montana, Mr. TESTER, with the time equally divided and controlled between Senator BUNNING, Senator TESTER or their designees.

The Senator from Montana is recognized.

Mr. TESTER. Mr. President, I wish to speak to amendment No. 1614, sponsored by Senators BYRD, ROCKEFELLER, LANDRIEU, SALAZAR, WEBB, and myself.

The Energy bill we have been debating is going to bring us greater energy independence and clean up our energy supply to help combat climate change.

This bill is clean and green and it will make great strides in developing clean energy sources and increasing efficiency. But we must admit we have done little in the bill to address America's largest energy resource and also one of our largest polluters—coal.

Coal supplies over half of our electricity generation, it drives our economy and manufacturing and can be turned into a liquid transportation fuel to replace foreign oil. Coal is relatively cheap and easily accessible. We now have enough coal for 250 years if we keep using it at the same rate we are using it now.

Not only are we going to keep using coal, but most energy experts predict we are going to use more of it into the future. We have to start doing better when it comes to greenhouse gas emissions from coal.

I do not believe the Government has been providing the right incentives to move the coal industry in the right direction. The amendment that I—and others I spoke of earlier—am offering today will provide Government grants for engineering and design of coal-to-liquid and coal gasification facilities.

It will authorize direct loans for facilities if they reduce their greenhouse gas emissions by 20 percent over the petroleum equivalent, which, by the way, is the same requirement we use for biofuels. To qualify, a facility must show that it can and will both capture and store 75 percent of its carbon dioxide. We need these parameters because we need to start doing things better than we have done in the past if Government is going to be supporting these projects.

There has been a lot of discussion in the last couple of days about coal-to-liquid fuels. I would rather get our energy from States such as Montana, Ohio, West Virginia, or Colorado than from the oil cartels in the Middle East. Unfortunately, the production of coal to liquids without capturing carbon dioxide emits over twice the amount of carbon dioxide than does petroleum, and climate change is as big a threat as the unstable countries where we buy our oil. When carbon is captured and safely stored, coal-to-liquid facilities and coal gasification plants can achieve carbon dioxide levels that are closer or better than a petroleum equivalent. If you combine the coal with biomass at the same facilities, you can reach emission levels that are far less than petroleum.

The National Mining Association recently ran an editorial in the New York Times identifying the benefits of clean coal technologies and its implications for national security. The editorial is on this chart. In a nutshell, what Kraig Naasz, president and chief executive of the National Mining Association, said was that a coal-to-liquid facility with carbon capture and sequestration combined with the use of biomass could achieve life-cycle greenhouse gas emissions 46 percent below a petroleum equivalent. That is good news indeed.

I believe our fuel sources are a national security concern, and we need to explore all safe and clean energy options to help break our addiction to foreign oil. Coat-to-liquid fuel is a part of that equation, and this amendment makes coal cleaner than petroleum when it comes to greenhouse gas emissions.

Climate change is an issue I take very seriously. I want to leave this world for my children and grandchildren in as good of shape or better than my parents left it for me.

Climate change is real. Our oceans are rising, our glaciers are melting, and wildly shifting weather patterns are causing more frequent hurricanes, dramatic snowstorms, and prolonged drought. I am a dryland farmer, and I have spent my entire life on the same piece of ground in Big Sandy, MT. As a farmer, you notice every little detail about the weather—moisture, temperature, when the plants bud, when they are ready for harvest. In recent years, something hasn't been right. The climate we have today is not the one that was there when I was a kid. We plant earlier than we used to, we harvest earlier, rain comes at different times, and the summers have become so hot and dry in Montana that the sky is filled with smoke from forest fires hundreds of miles away.

Steps can be taken to reverse the effects of climate change and improve the energy options we have available. Coal is cheap, we have a lot of it, and I think we should use it. But we must learn lessons from how we have developed coal in the past. The Department of Energy says that there are 151 new or proposed coal powerplants on the way by 2030, and some of those are coal gasification facilities. I am committed to finding ways to make the next generation of coal plants better than the last.

This bill encourages research and development of carbon capture and storage technologies. Carbon capture and storage may be our best option to reduce carbon emissions from coal. We even include a cost-share provision for carbon capture equipment that I sponsored with Senator BINGAMAN in the Energy Committee.

But we have done little to give industry the incentives to employ these technologies on a large scale. Wall Street really has no interest in loaning money for clean coal facilities because there is no economic incentive to reduce emissions. This amendment provides direct loans for 100 percent of the equipment used to reduce greenhouse gas emissions and up to 50 percent of the total project cost.

Coal gasification technology is our best opportunity to prove the capture of CO_2 on a massive scale and safely store it through an industrial process that gives us the products we need, such as fertilizers, plastics, electricity, and fuel. Carbon dioxide can be captured at a gasification facility, then compressed, piped away, and stored in geological formations, including oil and gas fields where they can increase the production of petroleum or CO_2 can be used in products that facilities produce, such as fertilizers, chemicals, plastics, and fuel.

The Syntroleum plant in North Dakota has been capturing their CO_2 for 20 years and piping it 205 miles into Canada for enhanced oil recovery. They capture 5,000 tons of CO_2 a day and sell the carbon to produce more oil. In Colorado, one company actually mines CO_2 from carbon deposits in the ground and pipes it to Texas for enhanced oil recovery, and, I should add, this is done for profit.

The amendment being offered today is a technology driver to move this industry into the next phase and help get the first few new generation facilities on the ground.

Government should only provide backing to the best technologies to help spur a clean industry that can demonstrate an overall societal benefit.

To be clear, industry will move forward with coal gasification projects and coal-to-liquid projects regardless of congressional actions, and plants have already been announced. But this is our opportunity to encourage these facilities to be clean and push the development of carbon capture and storage on a commercial and industrial scale.

Coal-to-liquid projects have been proposed for Illinois, Ohio, Wyoming, Montana, North Dakota, West Virginia, and the list goes on. These companies have proposed these projects without Government financing, but the emissions from these facilities are yet to be determined.

The timing of this Energy bill and this amendment is critical because designs could be modified to fit the parameters of this amendment, and we can be assured that these projects move forward with the cleanest technology available. Industry will benefit if we set clear guidelines as to the standards we expect to be met for Government backing.

Luckily, we have the science to back up our goals. A recent study from the Idaho National Labs proves that coal to liquids, when produced with carbon capture and biomass, can achieve life-cycle greenhouse gas reductions of over 40 percent from a petroleum equivalent. We see the bar graph with petroleum diesel being the baseline. If we look across at the fourth column, if we combine coal with 30 percent biomass to perform coal to liquids, we can see a tremendous reduction in CO_2.

Coal gasification with carbon capture and biomass is a vast improvement over our current use of coal. Congress is at a crucial point where we can help drive these facilities toward the best

technology available. This amendment is a challenge to industry, but it is a challenge that is technologically available and can and should be met.

Rentech, one of the strongest advocates of coal-to-liquid technology, proved my point in front of the Senate Finance Committee last April when they showed the members of the committee the potential of the technology on which they are working. What they said was that they agree that as carbon capture reaches the levels we spell out in this bill, combined with biomass, coal to liquids is far better than what we are doing currently.

I believe this amendment will drive a new, clean, and green coal-to-liquids industry toward startup and help offset our foreign dependence on imported oil. Besides fuel, it will make cheaper fertilizers, chemicals, and plastics.

Adopting this amendment will be a technology driver that is good for industry and is good for this country. I urge this body to support clean and green coal development.

Mr. President, I yield the floor to Senator BYRD.

Mr. DOMENICI. Mr. President, if it is in order or appropriate, I ask unanimous consent, to establish my position following Senator BYRD, when he is finished, that the Senator from New Mexico will be recognized for his comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The senior Senator from West Virginia.

Mr. BYRD. Mr. President, during my half century of service in this great body, I have seen too many energy shortages and too many half-hearted efforts by the Federal Government to respond. A geopolitical crisis erupts and oil prices rise. All too quickly, our economy is destabilized. Our national security is undermined. Americans become alarmed. Politicians promise solutions. Once the crisis passes, oil prices decline, public attention fades, and nothing happens to cushion the Nation from the next energy shock. All the while, our dependence on foreign oil grows with ever-worsening implications for our economic and national security.

About 40 percent of the energy we use in the United States comes from petroleum. The majority of this oil is imported from chronically unstable countries. It is shocking to think that our transportation system and so many sectors of our economy are dependent on a constant flow of energy from these dangerous and politically unstable lands. The very security of this great and powerful Nation is vulnerable to the whims of fanatical despots. The well-being of our country is always in threat of a government coup in Nigeria, a typhoon in the Persian Gulf, or a terrorist attack on oil shipments in the Middle East.

We must reduce our dependence on foreign oil. In a speech I made more than two decades ago in this Chamber, I warned the Reagan administration against cutting back on our energy programs. I pointed out that there is no national security without energy security and that we have neither as long as we are dependent on foreign oil. It seems as though some things never change. As we should have learned too many times during the past quarter century, leaving the security of our country so dependent on the vagaries of the free market is too simplistic, too unrealistic, and too dangerous.

Our dependency on foreign oil strikes at the very heart of our national security. Indeed, oil dependence is the Achilles' heel of our Armed Forces. The Pentagon itself has pointed out that our military's ever-increasing reliance on oil makes its ability to respond to crises around the world ''unsustainable in the long term.'' The Air Force pays about $5 billion per year for its fuel, with the Army and Navy close behind. Even more troubling, the United States now spends an estimated $44 billion per year safeguarding oil supplies in the Persian Gulf.

The money we spend on foreign oil too often finds its way into the pockets of terrorists determined to attack the United States. As former CIA Director James Woolsey put it, in buying foreign oil, ''we are funding the rope for the hanging of ourselves.'' Saudi Arabia, Iran, and Sudan have experienced a boom in oil revenues as the price per barrel of oil has gone through the roof. Reports are that some of these profits have been used to finance training centers for terrorists, pay bounties to the families of suicide bombers, and buy weapons and explosives for the groups attacking U.S. soldiers and marines. For years now, we have spent hundreds of billions of dollars fighting terrorists while at the same time we have provided countless sums of money to our enemies through our foreign oil purchases. This is sheer madness. It must end.

It is no longer acceptable for Congress to seek piecemeal, short-term solutions that become irrelevant as soon as the price of oil declines. We need a long-term strategic commitment to the development of clean, domestic-based energy technologies. We must dedicate ourselves to the developing of sources of energy that will move us away from oil dependence and provide better energy options. Chief among those must be coal, our Nation's most abundant source of energy. The United States has 27 percent of the world's coal reserves. We are the Saudi Arabia of coal, and then some. Thirty-three States have recoverable coal reserves. This means 66 Senators have a vested interest in promoting the use of coal. Our coal supplies are large enough to last for generations, fueling the electricity needs of our homes and our businesses. We don't have to ask someone else for this cheaper and abundant energy source; it is right here, like acres of diamonds, under our feet. It is there, there in the ground, for the taking. Coal can be burned cleaner and coal can be more efficiently burned today than at any time in our previous history. With the right kind of investments in clean coal technology, coal can become our lifeline. Coal can save us from foreign oil, from OPEC, from volatile summer gas prices, and from a disastrous foreign policy that revolves around protecting our oil interests abroad.

Through Federal funding, Federal research and development projects, and tax incentives, we have made great strides—great strides—both in increasing the efficiency of our coal-fired powerplants and reducing their emissions. Even with our currently underfunded clean coal technology programs, we will continue to make progress.

I know that a vocal minority would have us believe differently. They are the oil and natural gas producers who try to convince the American public that coal is not the answer. Don't believe it. No, don't believe it. They want Americans buying their more expensive oil and gas, not cheaper coal. They are interested in their profits and not the prices you and I pay at the pump or for our home energy bills.

The vast majority of Americans already use the cheap electricity provided by coal. They demand it. But with the proper support, coal could be providing other forms of cheap energy. The American military recognizes the hope that coal offers, which is why the Air Force is experimenting with using coal-to-liquids technology to fuel their aircraft. Coal has to be part, coal must be part of our energy strategy if we are ever, ever, ever to break our dependence on foreign oil. The American military recognizes it, the American people recognize it, and it is time that the Congress recognized it.

For several months now, I have been engaged in serious discussions with a bipartisan group of Senators to develop a program to promote the use of coal for transportation fuels and as a feedstock for our chemical industry. I thank those Senators and their staffs for their hard work in an attempt to reach our own version of a grand compromise on the future use of coal in this country. I particularly thank Senator BINGAMAN and the majority leader for their assistance with this proposal.

Even though there are significant challenges to the development of a coal-to-liquids industry in the United States, our dependence on foreign oil and the resulting cost to the country have created an economic environment that is favorable—favorable—for the industry to blossom. With a combination of tax incentives, loan guarantees, and regulatory support, along with technology-driven advances in environmental protection, we can reduce the risks associated with the construction of coal-to-liquid plants and stimulate private investment. We can and we must create a vibrant domestic marketplace for alternative fuels.

The added advantage of this proposal would be that the production of this

clean-burning fuel would provide opportunities to commercialize carbon capture and storage technologies. I believe that carbon capture and storage can help advance clean coal technologies, but we must provide both considerable funding and the key Federal guidance to hasten the arrival—in the ground—of carbon capture and storage projects that begin to implement the technology.

I hope my fellow Senators will stop, stop, stop and give serious thought to this proposal. I hope we have finally learned the lessons from the past, and that we will now seize the moment by the forelock.

Our Nation confronts an enormous challenge in breaking our dependence on foreign oil. For all too many years, we have denied—we have denied—the problem. We have delayed taking action. We have conducted endless studies—endless studies—and largely kicked the problem on down the road. We have separated it along regional and political lines and done and said everything but solve the problem.

Of course, the Senate is performing its constitutional function by debating these issues, and making sure the interests of the people and the States we represent are being protected. When the debate is over, however, it is also the responsibility of the Senate to find a workable solution. It is here that regional interests must blend into the national interest.

We have studied the matter, we have debated the issues, we have talked about the solutions, and now we must act. Now we must act. True energy independence at a time when our Nation no longer is dependent on the energy resources of unstable areas and rogue regimes will require give and take from all sides. In fact, in this most significant national quest, there can be no single winner, whether it be coal, whether it be oil, whether it be natural gas, or any environmental interest. If any one special interest wins, then the American people will lose. The American people will win if, and only if, we put aside our parochial interests, our partisan politics, and our petty differences and work together and compromise together for the national good. The time for bold action is here. Let us start to put American ingenuity to work for the benefit of America's future.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, is it appropriate for the Senator from New Mexico to speak now?

The PRESIDING OFFICER. The Senator may proceed.

AMENDMENT NO. 1628

Mr. DOMENICI. Mr. President, I have a few remarks as ranking member of the committee. I am going to speak first in favor of amendment 1628, the Bunning amendment, with reference to coal to liquids. Later on today—later on today, Senator BYRD—and I don't say this because you need to be on the floor or anything like that, but later in the day, when some other people have finished speaking in favor of this amendment, I will speak against your amendment and be very specific and precise as to why.

I do say to you and your very excellent staff that I think you will be interested in my reasoning, because I am not trying to be vindictive or pick one over another, but I think your amendment, when we finish talking about it, you ought to be worried about whether you have set standards in it that will never commit coal to be turned to liquids.

Mr. BYRD. I hope not.

Mr. DOMENICI. I think you have done that, by mistake or otherwise. The environmental requirements are too high for it to be achieved.

So the money can be used for things other than coal to liquid. That is what it will go for over time, because you cannot achieve the environmental standards. I don't know how I can do it later, but I will talk with you seriously about it.

For now I am going to speak to the Bunning amendment, and later I will do that other one, and if I have to do it in writing, because of my great admiration for Senator BYRD, I will write it up and show it to you, because I do not think you are going to get coal to liquid the way someone has drawn the standards for you. I do not know who drew those.

I rise today, in the absence of Senator BUNNING—I hope everyone in the Senate and those who are wondering why this distinguished Senator, who is so strongly in favor of this coal to liquids, is not here, let's make sure everybody knows that what is going on right now is a very important aspect of this energy bill. It is the tax portion, and Senator BUNNING is on the Finance Committee. They are writing the tax portion, Senator BYRD. So Senator BUNNING can't be here because he is there writing this giant tax provision that is going to be affixed to this bill.

First, I ask unanimous consent that the letter Senator BUNNING and I received this morning in support of this amendment that we have be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEADWATERS INCORPORATED,
South Jordan, UT, June 19, 2007.

Hon. PETE DOMENICI,
U.S. Senate,
Washington, DC.
Hon. JIM BUNNING,
U.S. Senate,
Washington, DC.

DEAR SENATORS DOMENICI AND BUNNING: Headwaters Incorporated supports adding your coa1-to-liquid (CTL) transportation fuel amendment to energy legislation currently being debated on the Senate floor (H.R. 6).

Headwaters is a New York Stock Exchange company with deep roots in CTL technologies. Our company has licensed direct coal liquefaction technology to facilities currently under construction in China and we are conducting feasibility and engineering studies in The Philippines and India. In the United States, we are actively developing a project in North Dakota in concert with North American Coal Company and Great River Energy. We are also conducting feasibility studies with CONSOL Energy Inc. in several other states.

Your amendment strikes the appropriate balance between enhancing our nation's energy security and advancing technologies to deal with climate change. To accomplish the greenhouse gas emissions standards required in your amendment, CTL providers will utilize carbon capture and storage technologies at a scale not previously deployed. This will do much to develop capabilities that will be used by many industries in the years to come.

It is time for America to keep more of its energy dollars at home, creating jobs making clean fuels from America's most abundant energy resource—coal. These fuels will work in our existing distribution systems and vehicles and will create a more secure bridge to the next generation of transportation fuels.

Sincerely,

JOHN N. WARD,
Vice President,
Marketing & Government Affairs.

Mr. DOMENICI. Now I would look to repeat once again my opposition to the Tester-Bingaman amendment on coal to liquid fuels. I believe it does little to advance the domestic coal to liquid fuels industry, and could, in fact, harm that effort. But I will return to the floor later today and speak to it in more detail.

I wish to provide some context for my colleagues as we move forward to vote this afternoon on the issue of coal to liquids, because it is so important for our country that we create a situation which will generate incentives so those who will invest money and try innovative technologies will do so for coal to liquid.

We have an abundance of coal. We have an abundance of need for liquefied coal. We have a lot of people who do not want to see this happen because they are fearful of the environmental consequences of this transition.

First, we must increase our national energy security by decreasing our reliance on foreign resources of crude oil. Second, we must ensure that the fuels available to American consumers are affordable. Third, we must seek to improve the environmental performance of the energy resources we consume.

I believe coal to liquid fuels will allow us to accomplish all three goals, and that the Bunning amendment puts us on the right path to get there. In terms of the opportunities for increased energy security that are created by coal to liquids, the case to be made is a convincing one. Our country accounts for 26 percent of the world's proven reserves, 26 percent of the coal.

We have enough coal right here in America to meet our needs for more than 200 years. In every authoritative forecast of domestic and world energy consumption, coal use is projected to increase, not decrease. No matter what people say, you know they don't want coal because it is not clean, every projection says there will be more coal used, not less, in the next 10, 20, 30 years.

What we have to do is be sure that since we have so much in America, we are pushing that and pursuing that with a hand on the accelerator, that makes sure what we come out with is a fuel that is clean enough to sustain itself among the fuels we are permitted to use, where it is as good as any we are promoting for the American people for their future.

Here in the Energy and Natural Resources Committee, we often talk about our Nation's increasing reliance on foreign sources of crude oil. We have included provisions in this bill that represent significant progress toward reversing this trend. I believe we should go further, however, and make better use of coal as our most abundant, secure, and affordable resource.

The facts in support of coal to liquid as a path to greater energy security don't only rely on the sheer abundance of this resource within our borders. It is because of this secure supply, but also due to the characteristics of coal to liquids as a fuel that the Department of Defense has undertaken an aggressive program to test, certify, and ultimately transition to meeting much of their demand with coal-to-liquid alternatives.

I want to repeat what I have just said about the fact that we are so abundantly blessed, and it is here and it is ours, and it is to be used by us. Because of this, the Department of Defense has undertaken an aggressive program to certify, ultimately to test and certify, to meet much of their demand with coal-to-liquid alternatives.

Last year the Air Force went through over 3 billion gallons of aviation fuel. That amount represents more than half of the fossil fuels consumed by the Federal Government. That is amazing. Half of all the fossil fuels consumed by the Federal Government was the 3 billion gallons of aviation fuel.

The goal of the Air Force is to certify their entire fleet by 2010, with a 50–50 mix of jet fuel with coal-to-liquid fuels and meet 50 percent of their demand for fuels with coal to liquids by the year 2016.

We must be encouraging progress along these lines, and the Bunning amendment is a step in the right direction. Coal is affordable. If we consider historic price trends, based on nominal dollars per million Btu's between 1980 and 2005, the cost of petroleum fluctuated between $6 and $16; natural gas fluctuated between $2 and $10; retail electricity fluctuated between $14 and $24; and coal between $1 and $3.

Is that not incredible? Now, if we can find a way through our technological advances and technological genius to make more coal usable, think of that, we will inject into this stream of usable resources that are used in the place of energy a fuel that is the cheapest and most stable fuel we have. I told it to you in incredible numbers. These are accurate. Coal, between $1 and $3 during the same period that retail electricity has been $14 to $24. You got that, my good friend from Montana? Incredible.

Petroleum fluctuated from $6 to $16, and here is that good old coal, $1 to $3. The problem is, we haven't figured out ways to use it for enough of the uses for which these energies I ticked off are used. Coal is secure. But it represents one of our most stable and affordable energy sources.

It should be our policy to ensure that this feedstock shares an equal footing with others that are available for production of alternative fuels. Of course, we must ensure that we continue to reduce the environmental impacts associated with energy resources we consume. Here, too, the ability of coal-to-liquid fuel to achieve this significant improvement is impressive. By virtue of the process coal must undergo in producing a liquid fuel, nearly all of the criteria pollutants are removed by virtue of the processes coal must undergo in the process of liquid fuel. I am repeating it. Nearly all the criteria pollutants are removed.

This represents a significant improvement relative to conventional diesel and includes a reduction in unburned hydrocarbons, carbon monoxide, nitrous oxide, particulate matter, and others.

I wish to direct the attention of my colleagues to the chart behind me which represents an average of the findings on the national renewable energy laboratories and other Government entities. It shows the percentage reductions achieved in the categories I have mentioned, by using coal-to-liquid fuels instead of conventional diesel.

Fuels are virtually sulfur free and dramatically reduced the emissions of other harmful pollutants. There it shows it to you right on the chart. Environmentally, what remains is a concern about the emissions of greenhouse gases. This too can be effectively addressed by coal-feeding biomass, utilizing a plant's carbon dioxide for enhanced oil recovery or through future efforts to achieve reliable and safe geological sequestration.

Those seeking to build coal-to-liquid fuel plants believe they can meet the same standard of 20 percent better than gasoline that is included in the underlying bill for ethanol. I believe no single one of the priorities I laid out as important to the consideration of the fuels legislation should overshadow the other. Coal to liquid meets all three priorities.

On this basis alone, I believe the Bunning amendment is the right approach. Now, some may ask, if this alternative fuel is such a good idea, why have we not already begun to produce it? The Department of Energy has testified that as long as the price of oil remains above roughly $50 to $60 a barrel, the first few gallons of coal-to-liquid operations will be economically viable. So as long as energy remains at that high price, from there, commercialization will further improve the competitiveness of coal-to-liquid fuels. It is a concern that oil-producing nations will increase production to lower oil prices, thereby undercutting the viability of alternative fuel production. That has created an unwillingness in the private sector to finance these plans.

I believe the most proven approach to addressing concerns of alternative fuel developers is to provide a guaranteed market and assurances that the market for these fuels will remain present. This is what the Bunning amendment does. This is all it does. This is all we need to do. Specifically, and starting in the year 2016, it will require that three-quarters of a billion gallons—that is all, three-quarters of a billion gallons—are produced a year. That gets us to a level of 6 billion gallons by 2022. Now, I would remind my colleagues that biofuels are mandated at a level of 36 billion gallons that same year under the base bill. We have required that coal-to-liquid fuels have lifecycle greenhouse gas emissions that are at least 20 percent better than gasoline. That is how we make sure that greenhouse implications are not something we need to worry about.

This is the same standard required of biofuels in the base text of the legislation that is currently before the Senate. We have seen the utility of a mandate in the current success of ethanol. In fact, currently the use of ethanol has even exceeded the mandates set forth in the Energy Policy Act of 2005. I believe the time has come to embark upon a similar success story in coal-to-liquid fuels.

If the environmental obligations are the same as the mandate for biofuels—and the coal-to-liquids mandate is one-sixth the size of a biofuel mandate—there is no reasonable basis to vote no on the Bunning amendment. The choice given by the amendment is coal from Wyoming, West Virginia, Connecticut, and North Dakota versus oil from the Middle East or Venezuela. The choice is an easy one. I encourage colleagues to vote for amendment No. 1628. It is not a huge amount of production we are going to assure the use of, but it will push producers and inventors, technocrats and people with money that they will all be working toward a new way to do it because by that point in time, they want to be able to say: Ours is ready. Please buy it. That is what the law says you are supposed to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I rise to speak on the two amendments before us. I have some grave concerns. I am afraid this Energy bill could easily turn into an antienergy bill. If it does, we will have decreasing supplies of fuel and ever-increasing prices. I don't think that is where we intend to go.

I rise to give strong support to amendment No. 1628 offered by my colleagues, Senator JIM BUNNING and ranking member PETE DOMENICI. The amendment establishes a fuel mandate

program for coal-to-liquid fuel that is identical to the renewable fuel standard we are implementing with this legislation. I know originally the two amendments had some similarities and were being worked on as one with a bipartisan group. That is what we ought to do. But somehow it got polarized and shifted into two separate amendments. One could have phased into the other and wound up with much stronger requirements. That was where I was hoping it would go, on a phased-in basis, so that we could actually have coal-to-liquid technology and that infant industry could then grow into one that would meet the strict standards that technologically cannot be met at the present time.

If we discourage all development of coal to liquids, we will not have clean coal to liquids. We will not have an adequate fuel supply or we will have a fuel supply that is very expensive, and that will curtail the economy.

I ask unanimous consent to have printed in the RECORD a letter from the Governor of my State, Dave Freudenthal, who talks about a glidepath we need to get the infant industry started and into place.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STATE OF WYOMING,
OFFICE OF THE GOVERNOR,
Cheyenne, WY, June 18, 2007.

Hon. JEFF BINGAMAN,
Chairman, Energy and Natural Resources Committee, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BINGAMAN: I want to commend you and your committee for taking up the matter of Coal-to-Liquids technology as part of the consideration of national energy policy. As you know, if we can construct the proper policy framework for this technology, the benefits are many. The country will be able to make use of an abundant fuel source to begin to mitigate our dependence on imported fuels. Capital investment and job creation will also be a significant benefit for America.

My view is that with the exception of operations in South Africa, CTL is an emerging technology. Clearly not all the design, engineering and performance issues are determined as would be expected in the case of a mature industry. There is much work to be done with respect to environmental behavior and operational efficiency.

Given the emerging nature of this promising technology, it seems prudent and appropriate to set goals that stretch the technology, represent a step forward and would result in a better environment. However, setting requirements that are likely not achievable in the near term with the first plants may only serve to discourage the kind of technical and financial investment required to bring the CTL technology forward to commercialization.

A 'glide path' that would require continuous improvement of environmental performance with a starting point better than existing alternatives seems a reasonable position for the first CTL plants. This would allow policy makers to keep the ultimate targets intact but acknowledge the evolving nature of the technology. It seems this would be a much better signal to send to the country. This should serve to stimulate rather than discourage the kind of market behavior on the part of cleaner energy entrepreneurs and technologists we need to help us solve these complex energy and environmental challenges.

Thank you for your consideration.

Best regards,

DAVE FREUDENTHAL,
Governor.

Mr. ENZI. I have listened for the past week as my colleagues have discussed the importance of domestic fuels. They argue that it is essential for us to reduce our dependence on foreign energy barons and that the mandate that this bill lays out for 36 billion gallons of biofuels is an important step in being energy independent. I agree with my colleagues and their assessment that we need to produce more domestic fuel, and the amendment I am speaking in support of does just that. By mandating that we use 6 billion gallons of fuel derived from coal, we will use our Nation's most abundant energy source to help break America's addiction to oil.

Coal-to-liquids technologies are not new. The technology has been around since the 1940s. There is no question that it can be used today in transportation markets that currently exist. It can be transported in pipelines that currently exist. Because it comes from coal, our Nation's most abundant energy source, it can be produced at home by American workers without some of the international interference. Coal-to-liquid plants are being developed in China. They understand the need for the economy to have the fuel to operate on. They are buying up resources. In Canada, they tried to buy resources in the United States. They know the future of their country depends on having sufficient fuel, particularly for transportation.

Coal-to-liquid plants are already being developed in China. They are being developed in other major industrialized nations. But they are not being developed in the United States. I am concerned that as we sit on the sidelines, other nations will take advantage of our inaction, and our economy will suffer. That is why I am speaking in support of the amendment offered by my colleagues from Kentucky and New Mexico. The amendment they have introduced is the right approach to moving this issue forward in a way that will truly help the coal-to-liquids industry. In doing so, it will truly benefit the American people.

There is a competing proposal from my colleague from Montana that I will discuss in a moment, but I first want to discuss why this is the right approach, if we are to spur investment in the coal-to-liquids industry. Simply put, if our goal is to create a market for a new energy source, mandates work. We have seen it with other current renewable standards. Since passage of the RFS as part of the Energy Policy Act of 2005, we have seen a dramatic rise in the number of ethanol plants that exist, and there is no sign that industry is slowing down. That was the mandate we placed. It is being met. We have an opportunity to do so today for coal to liquids. However, we will do so on a smaller scale, requiring just 6 billion gallons of coal-derived fuel as opposed to 36 billion gallons mandated for biofuels in the bill. We will do so with additional environmental standards.

Like the underlying legislation, we require the 20-percent life cycle greenhouse gas reduction language. However, unlike the underlying bill, the amendment requires coal-to-liquid plants to operate with technology to capture carbon dioxide emissions. In general, I am not a fan of mandates. I have struggled with this issue. However, if our goal is to reduce our Nation's dependence on foreign energy sources and to produce more fuel domestically, the current renewable fuels mandate has proven that it is an approach that works. In direct contrast to the success of a mandate is the failure of the loan guarantee programs which have issued exactly zero loans almost 2 years after the program was created in the Energy Policy Act. The approach of the Senator from Montana of a direct loan program is different than the approach taken in the Energy Policy Act. Although that is the case, I am concerned that his legislation will simply create another loan program that never happens. A direct loan program requires that the Federal Government loan taxpayer money to private companies to move forward. In the very tight appropriations climate we are currently experiencing, my colleagues are kidding themselves if they think we will spend the kind of money it takes to build one of these plants through a direct loan.

How do I know about that? There is one proposed in southern Wyoming. The company is a coalition of companies to put the money together for one of these plants. It is a huge refinery. That is what a coal-to-liquids plant is. It changes our low-sulfur coal into diesel, and that is what we are requiring trucks to use now, diesel without coal. It is going to be between the little town of Hannah and Medicine Bow. Hannah was a coal mining town. The coal was deeper so it wasn't useful or economical for them to mine it anymore. It shut down. People are there with houses they can't sell and jobs they don't have. They are retired. But this plant is coming into that area.

The reason it is coming to that area is, first, there is the coal resource but, more importantly, there is a pipeline there. This is one of the fuels, unlike ethanol, that can be put into a pipeline and transported. They have already sold all of the fuel they can build. They put $2 or $3 billion worth of money together to build what will be the first refinery built in the United States in 30 years. It will solve a huge economic problem in that part of the State. I have to say, the requirements in the amendment of the Senator from Montana will probably stop this because the technology isn't there. People

aren't going to venture $2.3 billion on the possibility that the technology might be there. I would hope we would put some research money into technology on carbon sequestration and carbon capture. I have encouraged the University of Wyoming to do that with some of the abandoned mine land money. But that is down the road and should be phased in so that plants like this can be built.

In addition to my concerns about the loan program, I am also concerned that the amendment of the Senator from Montana sets forth environmental standards that are technologically unachievable. We have devoted an entire title of this bill—title III—to the research and development of carbon sequestration technologies. I have faith that this research will help us to advance carbon sequestration efforts, but I don't believe we are there yet. As such, the Tester amendment's requirement for 75 percent sequestration—and it is not phased in—seems unreasonable. I am not a technical expert. I have spoken to the people who are planning the coal to liquids facilities. None of the developers I have questioned have suggested they can achieve the 75 percent mandated by the Tester amendment. Both of the Democratic and Republican proposals will reduce greenhouse gases in a major way. Both of these amendments require a 20-percent improvement, but the Democratic proposal goes too far and sets standards that aren't technologically achievable.

My colleagues are faced with a choice. The amendment offered by Senators BUNNING and DOMENICI takes a proven approach of mandating that we use a domestic fuel. It adds responsible and reasonable environmental standards, and it will work to spur development of a domestic coal to liquids industry. I wish the bipartisan group could have gotten together and actually worked out something, but there are some other things playing in this whole process. Sometimes we get so wrapped up in making a political point that we wipe out progress for the United States. I hope that something can be done on that yet, but we will vote on two different amendments. The Bunning-Domenici one has the potential for actually providing some facilities and additional fuels. If we truly want to see coal to liquids plants built in the United States, only one of the approaches before the Senate works. That approach is the one offered by Senators BUNNING and DOMENICI. I hope all of us will support that amendment and see that coal to liquids and fuel independence happens.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I rise today to speak on behalf of the Bunning coal to liquid fuel amendment. This was an amendment cosponsored and championed by our dear late friend, Senator Craig Thomas. If we could adopt this amendment and pass it into law, I think it would be a fitting tribute to the memory of this very fine servant of the people of Wyoming and of the United States.

We have plenty of Members of the Senate who would like to reduce our involvement in the Middle East. Maybe they supported our gulf and Iraq wars; maybe they did not, but they would sure like us to reduce our current involvement, and they certainly would like us not to have to go over there every time there is trouble. Count me in as one of that broader group.

There is another group of Senators, and I would be included in those as well, that would like us to improve the environment by reducing greenhouse gases. They support reducing the lifecycle greenhouse gases emitted during the production of fuels. Indeed, we are considering provisions to require biofuels produce 20 percent less lifecycle greenhouse gases during their production.

So I ask those Senators—all of you who support reducing our dependence on Middle Eastern oil, all of you who support requiring fuels to produce less greenhouse gases—please support the Bunning-Domenici coal to liquid fuel amendment that will do both.

Domestically produced fuel made from coal will reduce our dependence on Middle Eastern oil. Every barrel of oil we produce from America is a barrel of oil we do not need to import from Saudi Arabia, Kuwait, Iraq or Venezuela. Every barrel of oil we produce from America will reduce our need by that much to intervene in local Middle Eastern disputes.

Domestically produced fuel made from coal will improve the environment. Coal to liquid fuel, with its sequestration of pollutants, will be lower in acid rain-causing sulfur and soot-producing particulate matter. The Bunning amendment will also cut greenhouse gas emissions compared to gasoline production by mandating 20 percent less lifecycle greenhouse gas emissions. No coal to liquid plant will receive a cent of Government money unless it can meet this greenhouse gas reduction requirement.

Domestically produced fuel from coal will improve our health. Too many children and elderly suffer from asthma, an acute condition caused by air pollution. Coal to liquid fuel is lower in ozone-causing nitrogen oxides, soot-producing particulate matter, as I mentioned, and toxic emissions from volatile organic compounds.

Domestically produced fuel made from coal will improve the performance of our military. Coal to liquid fuel provides significant performance advantages for military jets and aircraft. The Air Force is most interested in signing long-term supply contracts that will enable them to provide a market for the clean coal to liquid fuel which is envisioned in this amendment. CTL fuel burns at a lower temperature, burns cleaner, and performs better at both lower and higher temperatures. That is good for our war fighters who need every advantage they can get.

Domestically produced fuel made from coal is good for our existing infrastructure. Coal to liquid fuel can go right into our existing pipelines, gas tanks, and engines without any cause of problems. We will not need new pipelines, new storage or new pumps as with biofuels.

Domestically produced fuel made from coal is also good for consumers. Coal to liquids offer long-term supply guarantees without the fear of supply shocks from external forces in other countries. Do you ever wonder why gas prices jump up every time some Middle Eastern radical shoots off a rocket in his neighbor's territory? That would not happen to the fuel we are producing from coal to liquids.

Domestically produced fuel made from coal is also good for taxpayers. Coal to liquids offers the ability to lock in long-term price cut guarantees. I think all of us realize that Southwest Airlines used this long-term fuel supply hedging to save billions of dollars and avoid bankruptcy. Other airlines lost millions and fell into bankruptcy paying for high-priced fuel on the spot market. At the same time, Southwest produced profits in part from the savings from their long-term contracts to buy fuel. We can use this same strategy to benefit all Americans with coal to liquids and specifically by supplying that fuel to the Air Force and other Government users. I would hope the other users of fuel would realize the advantage, but we can do something now to start that market and to assure that technology goes into production.

So I urge my colleagues to give a hard look to the Bunning-Domenici coal to liquid fuel standard amendment. I would say, I would add Craig Thomas's name to that list as well. Sponsors have trimmed back the amendment to require more modest and realistic amounts of CTL fuel. Sponsors have also included the same 20-percent lifecycle greenhouse gas reduction mandate and a requirement for coal to liquid plants to operate with technology to capture carbon dioxide emissions.

We can use the carbon dioxide, so captured, to pump into previously depleted oil wells to generate more production or we can pump it into substructures, geological formations, which will capture and keep that CO_2 sequestered.

I urge my colleagues to support the Bunning-Domenici amendment. Our future in terms of energy independence, our future in terms of a cleaner environment depends on it.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to use 12 minutes of Senator TESTER's allotted time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, this is the right subject, this issue of alternative fuels. I commend all my colleagues for being here to talk about this important issue.

I have mentioned often on the floor of the Senate, we live on this little planet of ours, and on this planet we circle the Sun, and we happen to live on a little patch on this planet called the United States of America. A substantial amount of oil is used here. We use one-fourth of all the oil that is pulled out of this planet every single day. About 84 million gallons of fuel is pulled out of this planet every day, and we use one-fourth of it in this country.

Unfortunately, much of the resources—the oil resources—exist elsewhere. Over 60 percent of that which we use in oil comes from off our shores, much of it from very troubled parts of the world: Saudi Arabia, Kuwait, Venezuela, Iraq, Iran, and so on. In a circumstance where we have such a prodigious appetite for energy—oil in this case—and so much of it exists off our shores, it makes us very vulnerable—extraordinarily vulnerable.

If tomorrow, God forbid, terrorists should somehow interfere with the pipeline of oil to the United States of America, we would be flat on our back. Our economy would be flat on its back because we get up every single morning in this country and we pull the switch, we start the engine, we do all these things that heat the water for the shower and air-condition our home. We have such an unbelievable appetite for energy.

With respect to oil itself, we are held hostage by having so much of it coming from off our shores. Therefore, the question is, how do we become less dependent or how do we become independent of the Saudis or the Kuwaitis or others who have so much oil?

Is it a good thing for us to try to become independent? I think it is. So how do you do that? Well, you do that in a lot of ways, one of which—an important ''one of which''—is to develop renewable alternative fuels.

So we are talking about the biofuels. We are talking about ethanol. We are talking about a lot of different issues—cellulosic ethanol. Today on the floor of the Senate, we now talk about coal to liquid. Coal to liquid means taking coal and producing from it diesel fuel. That coal to diesel is another way of producing alternative fuels.

It is very important, however, for us, as we proceed down this road, to do this the right way. There is, perhaps, an easy way and a harder way to do it or a right way and a wrong way to do it, but all of us who come here talking about alternative fuels, I think, are talking about the right subject.

This issue of coal is very important. Coal is the most abundant resource that exists in this country. It is our most abundant. It is our most secure. It is here. It is the lowest cost American resource. It is estimated we have over 600 billion barrels of oil equivalent in coal. Compare that, for example, to the largest oil reserves in the world, which are held by the Saudis, estimated at about 260 billion barrels of oil. Again, the Saudis have the largest repository of oil we know of, estimated at about 260 billion barrels. Our coal has an oil equivalent of about 600 billion barrels.

Well, the question is: How do we use coal? Because coal has a carbon footprint, it has an impact on our environment. I am chairing the Energy and Water Subcommittee on Appropriations. In the accounts I am now working on with my colleagues, I am going to put a great deal of money into clean power and into clean coal technology so we can unlock the mysteries and find ways to continue to use our coal, our most abundant resource, without in any way injuring our environment. I believe we can do that. I am going to tell you in a minute an example in North Dakota that is occurring that holds great promise, in my judgment.

But we have a lot of experience in burning coal for electric generation to produce electricity. We have a good understanding of the challenges we face as a result of that with respect to carbon reduction in those plants, the coal-fired electric generating plants. We also have some experience turning coal into synthetic natural gas. The only plant in the United States in which lignite coal is taken out of the ground—coal is extracted from the ground and put in a processing plant to turn coal into synthetic natural gas the only circumstance in the country where that occurs is on the prairies of North Dakota. It is interesting that the coal gasification facility is really a technical marvel—a technological marvel, I should say. It is producing synthetic gas in a way that is exceeding expectations. It produces very valuable by-products, and it does, in fact, produce CO_2.

So in this coal gasification plant, with the production of CO_2, which we don't want to admit in great quantities into the atmosphere because of climate change, we have done something that is really pretty interesting. We capture 5,500 tons a day of CO_2 in that plant, put it in a pipe, and in that pipeline it is transported 205 miles north into Canada, where it is invested into the ground in Canadian oil wells to make marginal oil wells more productive. So we have beneficial use of sequestration of CO_2 by piping it to Canada and investing it into the ground to essentially make their oil wells more productive. It has sequestered about 7 million tons of CO_2 into the Weyburn Field since the start of the project in the year 2000. It has doubled the field's oil recovery rate and extended the life of the oilfield by 15 to 20 years. So you talk about beneficial use of CO_2—first of all, capturing it, keeping it from escaping into the atmosphere, and second, using it for beneficial use. I think this is the largest example—the largest demonstration of that—in the entire world.

Now, the question before us today will be a couple of different presentations on coal to liquid. I support coal to liquid. I believe it is part of an alternative fuel strategy that makes sense for this country. But we come to an intersection with energy and climate change, energy and the environment. It is an intersection a lot of people would prefer not to approach, but nonetheless we are there. We can't pretend one doesn't exist. They both exist. They coexist. They have an impact on each other. The question of how we do coal to liquids is a very important question in the context of how we continue to use our abundant coal resource.

Some say the most beneficial use of coal is coal to synthetic natural gas. I have just described how that is being done. Some say another beneficial use of coal is coal to plastics. There are many ways and many approaches to use coal for beneficial use at the same time as we protect the environment.

We have examples in amendments being offered today of the requirement of not only life-cycle reductions in emissions—and I believe both of the amendments have equivalent life-cycle reductions in emissions, but only one has a carbon capture requirement, which I think, frankly, is going to be required as we move forward with coal to liquids. We might debate about where that carbon capture requirement ought to be established, under what conditions can it be met, but I don't think there is much choice that we, as we proceed with coal to liquids, establish a carbon capture standard. I believe the Tester amendment does that in a way that says, I think for many of us, we fully support coal to liquids. We also support all of the other technologies that provide for the beneficial use of coal, which includes, as I have just described, coal to plastics and coal to synthetic natural gas, and so on. But as we proceed with coal to liquids, it is very important that we capture and sequester CO_2, just as we do in North Dakota with this synthetic natural gas plant.

Let me also point out that we have other ways of using coal—biomass cofed with coal to produce liquids. We can actually take CO_2 out of the atmosphere with that process. The plants would capture the CO_2 as they grow, and that CO_2 would be captured in the gasification process, along with the CO_2 from the coal. So it could be permanently sequestered in that circumstance. As a result, the overall carbon footprint for coal biomass to liquids would be better, for example, than with petroleum.

So there are so many different applications and different ways that I believe coal can play a very important

role in this country's future. As I indicated, I am going to be adding substantial funding with respect to clean coal technology and the research that is necessary to unlock the capability, the scientific capability, and technology to be able to continue to use our abundant coal resources long into the future.

It makes little difference if we have the equivalent of 600 billion barrels of oil in coal resources if we can't use them. To say we have reserves equivalent to 600 billion barrels of oil, if you can't use that coal, it means very little to this country's future. I believe, when you take a look at the most abundant resource, we need to be able to use it, but I also understand and believe we need to be able to use it in circumstances where we can produce in the future a coal-fired electric generating plant that is a zero-emission plant. I believe that is possible. Now, can we do it tomorrow? Probably not. But I believe that through technology, we can accomplish these things.

The same is true with respect to coal to liquids. I don't believe the debate among those of us who have spoken on this subject today is whether coal to liquids makes sense. It will contribute as a part of our alternative fuels to make us less dependent on foreign sources of oil, and that is something we should all aspire to have happen. But it will also, as we proceed in this direction, require us to have carbon capture and sequestration in a manner that is meaningful.

One of the amendments today will establish a 6-billion-gallon requirement. I believe essentially the same amendment a couple of weeks ago said it should be 21 billion barrels as a mandate or requirement. I don't know where those numbers come from. I just believe, as I think most who have spoken believe, that we have to move in the direction of making coal to liquid work in a way that is compatible with this country's environmental needs.

So I am going to support the Tester amendment. I hope that at the end of the day, we will have received a message here from the debate in this Congress that says: Yes, alternative fuels make sense; coal to liquids makes sense; so, too, do carbon sequestration and carbon capture.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. BROWN. Mr. President, I ask unanimous consent to use Senator TESTER's time for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMPLOYEE FREE CHOICE ACT

Mr. BROWN. Mr. President, I rise to speak for a moment on the Employee Free Choice Act, the legislation we will be considering this week and legislation which will, frankly, help to build the middle class. That is something I know the Presiding Officer spoke about in Pennsylvania often in the last year, as I did in Ohio.

We know what has happened to manufacturing jobs in this country, many of them good-paying union jobs. In my State, we have lost literally hundreds of thousands of them—more than 3 million in the last 5 years nationally. We know what has happened as profits and wages have gone up in this country—excuse me—as profits and top executive salaries have gone up. We know that for most Americans, their wages have been stagnant. Part of that is the decline of unionization. Poll after poll after poll shows that most people in this country, if presented with the opportunity, would like to join a union, but most are denied that opportunity because of the kind of workplace they are in oftentimes but oftentimes simply because management—employers—is able to beat back any kind of unionization effort.

That is the importance of the Employee Free Choice Act. Let me illustrate by an example. The Presiding Officer and I sit on the Agriculture Committee together and one day back in February, our first month on the job—roughly the first month—we heard from a woman from southwest Ohio who came and testified on food stamps. The food stamp benefit in this country on the average is $1 per person per meal. She and her son, as a result, get about $6 a day in food stamps. She works full time. She is a single parent with a 9-year-old son. She is the president of the local PTA of her son's school. She teaches Sunday school, and she volunteers for the Cub Scouts for her son. She works full time making about $9 an hour. She is a food stamp beneficiary. She occasionally makes her son pork chops, which he likes to eat once or twice at the beginning of the month. During the first couple of weeks, she takes him to a fast-food restaurant once or twice. Almost invariably, the last couple of days of the month, she sits at the kitchen table with her son, just the two of them, and she says she doesn't eat.

He says: Mom, what is wrong?

She says: I am just not feeling well today, son.

She has run out of money. It happens almost every month. She is playing by the rules. She works hard. She is doing almost everything we ask. She is involved in the community.

My belief is that, through talking to people like her, if she had the opportunity to join a union, she would see several things happen. She would see a higher wage. She would be more likely to have health insurance to build toward a pension. All the things everybody in this institution has, everyone who sits in the U.S. Senate—everyone who works in this institution, on that side of the Capitol or on this side of the Capitol, has health care, has a decent wage, and has a decent pension.

The single force that gives people an opportunity for health care, a decent wage, and a decent pension is unionization. We know that. If you trace the numbers of people joining unions and you draw a graph about wages in this country, the lines are almost parallel. We are a more productive workforce than we have ever been. Yet wages have not kept up with productivity. When you measure, for decades and decades in our country, as productivity went up, wages went up. But during the last few years, as productivity has gone up sharply, wages have continued to remain stagnant. That is in large part because of the decline of unionization.

That is the importance of the Employee Free Choice Act. That is why it matters to our country. That is why it matters for building a strong middle class. That is why the Senate this week should pass the Employee Free Choice Act.

Mr. President, I ask unanimous consent that at 2:15 today, there be 60 minutes remaining for debate with respect to the Bunning and Tester amendments, that the time be equally divided and controlled, and that the remaining provisions of the previous order remain in effect.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. BROWN. Mr. President, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 12:41 p.m, recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

CREATING LONG-TERM ENERGY ALTERNATIVES FOR THE NATION ACT OF 2007—Continued

The PRESIDING OFFICER. There are 60 minutes equally divided under the Bunning and Tester amendments.

Who seeks time?

The Senator from Kentucky is recognized.

AMENDMENT NO. 1628

Mr. BUNNING. Mr. President, I rise to talk about the Bunning, et al., fuel amendment No. 1628. Senator HATCH has asked to be listed as a cosponsor. I ask unanimous consent that he be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUNNING. Mr. President, for too long America has ignored its energy security. Many of us can remember the energy crisis in the 1970s. We were held ransom by a monopolistic oil cartel and forced to endure shortages, gas lines, and high prices. In the early 1980s, just as America began to invest in alternative fuels, the oil-producing states of the world crashed prices to make new technology uncompetitive. During most of the last 25 years, we have enjoyed low prices and plentiful supplies. But we have had to pay a price. Today, we find that America is addicted to oil.

September 11, 2001, and the hurricanes in the gulf region have shown the

fragile state of our energy markets. Domestic disasters and terrorism can send energy prices spiraling out of control. Our energy resources are stretched to the limit and small supply disruptions ripple throughout the entire economy. I believe all Americans, as they see continued instability in the Middle East, China, and India, and sustained gasoline prices around $3.50, $4 a gallon, can see an energy crisis on the horizon.

As you can see from the chart I have here, our production of energy has almost stayed completely flat and will stay completely flat until about 2025, unless we do something about it. On the other side, our consumption continues to escalate. So the difference between the two is the crisis at which we are now looking.

This year alone, we will send about $250 billion to foreign countries—mostly in the Middle East—to buy oil, adding to the $7 trillion we have already spent in the last few decades. America has become complacent and overdependent on imported oil. No matter what energy prices are, we need to take responsibility for our reliance on imported energy and develop a secure, domestic fuel source.

I believe part of that effort should be developing coal-to-liquid fuels. America happens to be blessed with significant coal reserves. Coal powers our homes and businesses. Fifty-two percent of our electricity is derived from coal. It has long been America's most abundant fuel resource and has driven our economic growth since the Industrial Revolution. Coal-to-liquid technology lets America capitalize on a domestic resource. Every dollar invested in coal-to-liquid production will stay in America, grow our economy, and create jobs. By displacing payments to foreign oil companies with domestic investment, we will actually increase the amount of funding available for other alternative fuels. It will lower energy prices for American families, improve the environment, create thousands of jobs, and bring billions of dollars in new investment to our local communities.

Many of you may be asking one question right now: If this technology is so great and could replace expensive imports from the Middle East, why hasn't it been done already?

The answer is simple: Costs and market uncertainty. A typical size coal-to-liquid plant costs between $3 billion and $5 billion to construct. With complicated plans and environmental permits, a new plant could take 5 to 8 years to build. This is a challenge for even the biggest risk takers on Wall Street. Raising the capital needed to develop a new technology is always difficult, but the multibillion dollar investment scale of a coal-to-liquid plant has made it nearly impossible.

On top of this is the uncertainty of the price of oil. Yesterday, oil hit $69.09 cents a barrel—an all-time high. Soon we will be seeing $70 prices on a barrel of oil. We have seen this dramatic rise in the last few years. But investors are concerned that oil prices could drop to the low levels of the 1980s and make coal-to-liquid plants uncompetitive again.

But even if oil prices were to drop that low in the next few decades, I believe CTL would more than pay for itself by insulating us from supply shocks and providing a secure domestic fuel source for our military, businesses such as airlines and trucking, and the average American car.

The challenge for America is to leverage the private investment required for these large, expensive plants. U.S. investors remember the last time synthetic fuels were promoted in the 1970s, and remember the losses they took as oil prices collapsed in the 1980s. The scale of investment, uncertainty of oil prices, and a complicated environmental permitting process have prevented the industry from taking root in the United States.

We need to take aggressive steps now to ensure that America does not continue to face high heating and gasoline costs and rely so heavily on unstable and dangerous parts of the world for our energy. I believe the answer is to provide Government support to get coal-to-liquid technology off the ground. At least it is one of the things we must consider.

With modest initial investments, we can kick-start the industry and then the Government will get out of the way and let the marketplace take over. I would rather the Government not have any involvement in coal-to-liquids, but this industry needs assistance because of the threat of OPEC, oil tyrants like Hugo Chavez, and technology challenges.

While these are legitimate challenges facing coal to liquid, another issue has become more and more prominent during this debate. In the last few weeks, the environmental rhetoric has been strongly against coal fuels. Unfortunately, too many people have repeated it without checking the facts. The picture opponents of coal paint is far from the truth about our fight for energy independence. It shows the same misinformed biases found in anti-coal advertisements and environmental newsletters.

I want to tell you clearly and without reservation that coal-to-liquid fuel will be a clean part of our energy future.

I want to show you another chart. While some may remember urban diesel pollution problems, coal to liquid will be significantly cleaner than existing fuels in terms of air pollutants such as sulfur, particulate matter, nitrogen, and aromatics. Air Force tests, laboratory tests, and environmental reports all show that coal-to-liquid fuels will reduce the air pollutants that pose a threat to human health.

As you can see when you compare diesel and well-to-wheel urban emissions, compared to low-sulfur, petroleum-based diesels, you can see organic compounds, carbon monoxide, pollutants, particulate matter, and SO_X, all decreasing in the coal-to-liquid area. But all of these improvements and the promise of energy security are wiped away by misleading claims that coal to liquid would produce twice as many carbon emissions as conventional fuel. That is not true.

The production of coal-to-liquid fuels does release carbon twice—once during gasification and another when burned like conventional fuels in engines. But that does not mean coal-to-liquid plants have to release twice as much carbon emissions.

My amendment requires carbon capture—listen to this. I hope some people in their offices are listening to this. My amendment requires carbon capture, but recognizes that there are limits to this technology today. Carbon capture is only part of the emissions model. Nearly all of the developers we have worked with want to use biomass coal-blended feedstock to achieve emissions reductions.

Believe me, I have studied coal to liquid extensively. Reports from the EPA, DOE, Princeton University, and the Idaho National Laboratories has shown the coal-to-liquids lifecycle greenhouse gas emissions rate will vary dramatically based on the technology, feedstocks, and process used. These researchers have shown that the coal-to-liquid process could one day produce a fuel that is carbon neutral. I will repeat that. These researchers have shown that the coal-to-liquid process could one day produce a fuel that is carbon neutral—no carbon emissions. This is not pie-in-the-sky research. Using some of the same ideas, a planned plant in Ohio—one that will need some Government support to get started—will produce coal-to-liquid diesel that has 46 percent less carbon emissions than diesel fuel made presently from oil—46 percent less.

On chart 3, we show greenhouse gas emissions. This chart shows the life cycle of greenhouse gas emissions of different kinds of fuel based on the analysis of the Idaho National Lab. On the left, we have diesel fuel, coal-to-liquid fuels with no environmental technology, coal to liquid that uses carbon capture, and coal to liquid that uses carbon capture and biomass. As we can see by the chart, coal to liquid can be very clean. That is our goal.

For comparison, I included gasoline and ethanol blends on the right. If we support coal to liquids and let the industry develop these carbon capture and biomass technologies, we will reduce emissions more than corn-based E85 and more than cellulosic E10. That is currently what everybody wants to do. E85 is the big savior. The new cellulosic ethanol, E10, is the big savior. As we can see by this chart, that is not true because the emissions at the end of the line with cellulosic E10 and corn E85 are all higher than the coal to liquids mixed with biomass. That is the truth. Those are facts.

The sector should be given time, just as everyone else, to develop the best technology and not rely on Congress to pick it for them. That is why my coal-to-liquid fuel amendment sets the environmental standard for coal to liquids at the same aggressive 20-percent life cycle reduction that Chairman BINGAMAN requires for biofuels. The very same reduction that Chairman BINGAMAN in his Energy bill requires of biofuels is the one I have in this amendment. Every gallon of coal to liquids made with the help of my amendment would meet this standard and would be a gallon of oil we do not have to buy from the Middle East.

While I have shown that limited Government support is necessary and coal-to-liquid fuels will be as clean as biofuels, another reason to support coal-to-liquid fuels is national security.

I want my colleagues to look at this chart because this is the most important part of coal-to-liquid technology, and putting it on this Energy bill.

The military is the largest single purchaser in this country, and the Air Force consumes 50 percent of this total. I have spoken many times with the Secretary of the Air Force, and I am proud to say he has taken the lead on developing this domestic resource.

Last year, the Air Force spent nearly $7 billion—$7 billion—alone on aviation fuels, which was over budget by $1.6 billion. For every $1 change in the price of a barrel of oil, it costs the Air Force about $60 million a year. That dramatic impact is 10 times worse for our commercial airlines.

As we can see, if we do it the right way, we can produce enough of our aviation fuel from this technology with a change in the way the Air Force buys their fuels. If we change it from 5 to 20 years in terms of the amount of time they can contract for, we can have this kind of dramatic impact for our military.

With this in mind, last summer, the Air Force tested jet fuel with a 50-percent mix of Fischer-Tropsch fuel—that is the coal-to-liquid process—in a B–52 bomber. The results of these tests so far are nothing short of outstanding. We already knew these fuels are nearly zero in sulfur and very low in nitrogen oxide and particulate matter emissions, but we are learning very new benefits.

During these tests, the Air Force demonstrated this fuel we are talking about burns significantly cleaner and burns significantly cooler than conventional jet fuel. These characteristics allow our jets to have a smaller radar profile and lower heat signature. And these advantages translate into better mileage, reducing both fuel costs, as well as greenhouse gas emissions.

In light of this successful assessment, the Air Force plans to test this fuel in the C–17 cargo plane this year, and it is embracing the goal of certifying the entire fleet of aircraft by 2016.

By that time, the Air Force intends to meet 50 percent of its annual fuel needs, more than 1.3 billion gallons, with Fischer-Tropsch fuel. Coal-to-liquid fuel will provide a safety net for our military to ensure a stable fuel supply regardless of the global politics of oil, but only if we build a domestic industry to make the fuel for them.

Let me turn to the two amendments we will consider today. I am asking that my colleagues support the Bunning-Domenici amendment that I have offered with Senator CRAIG, Senator ENZI, Senator MARTINEZ, and Senator HATCH. Our amendment is the only amendment that will help create a domestic coal-to-liquids industry, is a separate program that will not compete with biofuels in any way, requires coal to liquids meet the same 20 percent life cycle reduction of greenhouse gases that biofuels must meet—the rest of this bill requires that—requires coat-to-liquid facilities to capture carbon dioxide, and mandates only one-sixth as much fuel as the renewable fuel standard.

I am also urging my colleagues to oppose the Tester-Bingaman amendment. This amendment is not—and I emphasize this—is not a coal-to-liquid amendment. It sets an irresponsible environmental standard and will just kick Government support for this fuel into the future.

Their amendment is opposed by 23 members of the coal-to-liquid coalition, including industry, airlines, railroads, and others.

It sets strict technology mandates for emissions that will stifle innovation and prevent nearly all domestic coal-to-liquid plants from moving forward.

It limits the availability of the loan to 50 percent of the plant cost, making it less effective than the already existing DOE program that we passed in 2005.

It will take years in DOE rulemaking before the first dollar is ever allocated for a plant.

In the greatest deception of all, it does not require coal to be used in the coal-to-liquid process.

Let me say that again so everybody understands. The biggest deception of all is that the Tester-Bingaman amendment does not even require coal to be used in the coal-to-liquid process.

I am committed to the coal-to-liquid fuel as a secure domestic and environmentally sound fuel. The Tester amendment looks at coal to liquids as an afterthought. I think my proposal should be adopted for any one of a dozen arguments that we have made for coal-to-liquid fuels. It will create jobs, bring down the price of fuel, bring down the price of what we pay at the pump, fuel our military, but basically displace foreign oil, enhance our national security, add value to our coal resources, and improve our environment.

But my final and perhaps most important point is that coal-to-liquid fuels deserve fair treatment. I ask that my colleagues look at what we have done for biofuels in America and the benefits we have given to our farmers. Communities throughout the Midwest are uniting to invest in ethanol and biomass. Money from Wall Street is flowing into our rural communities, developing infrastructure and creating jobs. In many parts of America, I have seen new hope in agriculture and new ways for farmers to realize greater values for their crops.

It all started with the ethanol fuel mandate. My amendment will create the exact same mandate for coal-to-liquid fuel with the same environmental standards. I think our coal communities deserve the same support we gave our farm community.

Will you tell the Governors of the Southern States, Pennsylvania, Ohio, Illinois, North Dakota, Colorado, Nevada, and Montana that you oppose their efforts to bring coal-to-liquid plants to their States?

Will you tell the men and women who serve as coal miners, construction workers, truckdrivers, train conductors, and plant operators that they deserve less support than our farmers?

Will you tell all Americans that you would rather keep buying oil from the Middle East instead of making fuel in America?

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. SALAZAR. Mr. President, parliamentary inquiry: How much time remains on either side?

The PRESIDING OFFICER. The Senator from Kentucky has 50 seconds—5–0 seconds—remaining and the majority side has 30 minutes remaining.

Mr. SALAZAR. Mr. President, I ask unanimous consent that I be recognized to speak for 10 minutes in support of the Tester amendment, followed by 10 minutes for Senator BINGAMAN.

The PRESIDING OFFICER. Without objection, the Senator from Colorado is recognized for 10 minutes.

Mr. SALAZAR. Mr. President, I rise today to speak on behalf of amendment No. 1614, which is the amendment Senators TESTER, BYRD, ROCKEFELLER, BINGAMAN, and I are cosponsoring today. Before I make my prepared remarks, let me make a couple of introductory remarks.

The work we are doing today here on the floor of the Senate is perhaps the most important work we could be doing, because how we move from our current chaos on energy here in America to the reality of energy independence is the hallmark of the 21st century. It is an absolute imperative for us to get to the kind of energy independence that has been desired in this country for over 40 years and which has been the topic of much rhetoric and very little action. This is our opportunity, today and in the days ahead, as the Senate speaks out loudly and clearly about the importance of energy and how we will move forward in this world.

From my perspective, I believe we have no choice. I believe the inescapable forces of our civilization today require us to do nothing less than to embrace this concept of a clean energy future with the sense of moral imperative President Carter spoke about over 30 years ago. I believe there are three inescapable forces that are with us today.

First, there is national security. When we see the rockets that are raining down from Hezbollah and northern Israel, one has to ask, where is that money coming from that is funding those rockets; and where is that money coming from that is funding 10,000 members of the militia? We know it is coming from the $67 per barrel being paid today for oil that is imported from those countries. Today, indeed, when one looks at the fact that, for instance, in March it was 66, 67 percent of the oil we use in America that was imported from foreign sources, our national security requires us to make sure we move forward with this imperative before us today.

Secondly, there are environmental security issues in how we deal with climate change. I think it is finally a reality here in America that our world needs to deal with the issue of climate change in a realistic way. We need to do it now. We cannot wait. Even the President of the United States, who appeared to be a person who didn't believe in global warming, in his State of the Union speech as he addressed the Congress, said he wanted the Congress this year to address the issue of global warming.

The third and inescapable force which should compel us to move forward on the issue of energy has to do, again, with the economics of our Nation and making sure we are not subject to the volatility we have seen so often in the past. That is why I come to the floor to speak on behalf of the coal gasification amendment for which Senator TESTER is the lead sponsor. What we are proposing fits very well into making sure we are adopting this clean energy future.

I am not against the development of coal. I know what coal is in the West, in places such as Montana and other places, places such as my own State of Colorado, where the coal miners in the mines on the western slope know the importance of coal and the importance of clean energy. The amendment we have introduced will help us reduce our independence on foreign oil by making better use of our vast coal resources here at home. Fuels, fertilizers, chemicals, and consumer products derived from coal, if produced responsibly with coal gasification technology, can replace much of the imported oil we use on a daily basis.

Coal is to the United States what oil is to Saudi Arabia. It is our most abundant domestic energy resource. It produces more than 50 percent of our electricity. As a nation, we have enough coal to last more than 200 years. Until recently, however, coal has not been a legitimate replacement for oil. With old technologies, coal gasification resulted in high CO_2 emissions, which caused global warming. Without carbon capture technology, CO_2 emissions from liquid coal, a product of the coal gasification process, are twice that from conventional fuels. This poses an unacceptable risk to our environmental security. So as we try to deal with CO_2 emissions, we ought not embrace a policy or technology that will increase our problems with respect to CO_2 emissions.

Fortunately, we have new technologies, and those new technologies offer us a way to use coal in our transportation sector and other sectors of our economy in an environmentally responsible manner. Not only can we sequester the carbon produced in the gasification process, but we are able to produce a wide range of materials that are currently being made from oil and natural gas, including diesel fuel, plastics, fertilizer, chemicals, and a wide range of household items.

Senator TESTER and I and the other cosponsors of this amendment have included in this amendment a framework for how we proceed with coal gasification in a responsible manner. Our amendment has four main components.

First, it provides $10 billion in direct loans for the construction of low emission coal gasification plants.

Secondly, our legislation will establish a grant program that will help spur construction of a new generation of coal gasification plants. The grants will be up to $20 million for any one project or $200 million nationwide. They will be awarded to projects that use a variety of feedstocks such as coal and biomass and which have carbon emissions that are 20 percent lower than conventional baseline emissions.

The third component of our amendment is a set of studies that will help us determine the opportunities that might be provided with greater use of coal and moving forward with liquid production of coal. The amendment commissions a study of the benefits of maintaining coal-to-liquid products in the Strategic Petroleum Reserve. It also requires the administrator of the EPA to examine the emissions of coal-based products that are used as vehicle and aviation fuel.

Fourth, the legislation also provides additional funding for the Air Force research lab to continue its development and testing of synthetic fuels for use in jets.

The amendment that Senator TESTER, myself, and others are proposing is a reasoned way of making better use of our vast coal resources here at home. It recognizes that coal can replace much of the imported oil, but it also creates a rigorous carbon emission standard for these new coal gasification projects to meet in order to get Federal support. We simply cannot afford to dump excess carbon into the atmosphere, and this amendment ensures we won't.

I once again thank Chairman BINGAMAN and Senator DOMENICI for their leadership on the overall bill.

Before I conclude, I want to make a comment with respect to a statement made on the other side with respect to a competing amendment. The essence of the competing amendment is to say it is the end of the world for coal if we don't adopt the amendment that is being proposed by my good friend from Kentucky. As I said earlier, we are not anti-coal. Both of us who are sponsoring amendments are from coal-producing States. We believe coal is very much an item that has to be in our portfolio in the future.

I have a letter, however, in which Dow Chemical says they are fully supportive of Senator TESTER's amendment, and one of the conclusions they reach, in support of the amendment is that:

> Dow Chemical believes the environmental standards in the bill are achievable.

It says:

> The requirement that 75 percent of the carbon dioxide generated is captured will ensure that all companies prepare for long-term CO_2 management. This will help drive action to make carbon capture and storage a reality sooner than later.

In conclusion, I urge my colleagues to join us in support of amendment 1614 because it is the most responsible way to proceed as we deal with energy independence as well as dealing with the issue of high emissions.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority side has 20 minutes 40 seconds remaining, and on the minority side there are 50 seconds remaining.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the minority side be given an additional 5 minutes, and would note that Senator DOMENICI and Senator CRAIG are here to use that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who seeks time?

The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I will talk quickly in 2 minutes.

I come to support the Bunning-Domenici amendment of coal to liquids. It is quite simple. I look at it in rather black-and-white terms. A vote for coal is a vote against Saudi Arabia. A vote for coal to liquids is a vote against Hugo Chavez. A vote of coal to liquids is a vote against Nigeria and for our own production.

The Senator from Colorado talks about America always laying the claim that we are the Saudi Arabia of coal, except we are rapidly deciding we are not going to use it for anything. Now, if we are going to use it, and it is the great energy supply, then we have to make it cleaner, and that is clearly the technology at hand.

One of the ways to do so, and not only to use it for transportation fuels, is to run it through the liquefication

process. And who is the expert in the field of testing it? The Idaho National Laboratory, working with Baard Energy, looked at the Ohio projects—46 percent cleaner. If you add biomass to it, 30 percent biomass to sequester the carbon dioxide and the combined cycle cogeneration process, that is what you get.

Now, isn't that a technology worth passing on to China, which is the largest emitter, or soon will be, producing more emission with less economy of CO_2 than the United States? I think it is time we pushed all technologies, and if they are cleaner, they are better.

The argument here is they have to be perfect before we do them. I would suggest that perfect may not be possible, but 50 percent cleaner or more is possible, and that is where we ought to go. That is where the Bunning amendment takes us.

I tell you what I am going to do; I am going to vote for Senator BUNNING's amendment, and I am going to vote against Saudi Arabia.

Mr. DOMENICI. Mr. President, I think I have, what, 3 minutes remaining?

The PRESIDING OFFICER. The Senator has 3 minutes 35 seconds.

Mr. DOMENICI. Thank you very much, Senator LARRY CRAIG, for those comments.

Now, let me say we have a similar situation to the one we had here in the last 2 or 3 days on the 15-percent wind mandate—RPS. We have two amendments out here, and all of a sudden we find out neither of them is going to have the votes. I am afraid what has happened here is we have two amendments and neither is going to get the votes if the Senate doesn't consider the difference between these two bills and vote for the one that is most apt to accomplish the purpose we set out in a coal-to-liquid amendment.

The Tester-Bingaman amendment, No. 1614, in this Senator's opinion is only a long shot that we are going to get a lot of incentives for coal to liquid. There is $10 billion in direct loans. That is nice for everybody. We are going to have $10 billion to loan, but it is loanable on a number of things beyond coal to liquid. I predict the money is going to go to those other things because it is so hard to reach the calibration required in this amendment of coal to liquid.

In the Bunning amendment, there is a long time to work on it, until 2016, and a given amount of that liquid will be purchased and they can get ready for it to be purchased. But the standard is clearly achievable because it is the same 20 percent we are going to require of ethanol and of the other programs we are achieving, and we are saying do the same thing. They are not saying that in the Montana amendment—do the same as we have done for the other fuels. I am afraid we are not going to get there and the money is going to get loaned for the wrong things before we are finished. In competing between the two, both are going to die. I suggest that colleagues vote against the amendment of the Senator from Montana and for the one of the Senator from Kentucky if you want to get coal to liquid started.

Mr. BINGAMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The majority has 20 minutes 15 seconds, and the minority has 53 seconds remaining.

Mr. BINGAMAN. Mr. President, I will take 5 minutes. I know Senator TESTER is here and wishes to speak. I understand Senator KERRY and many others wish to speak also.

The issue between the two amendments is what our focus should be, when we think about the future of coal, are we sure the best use of coal and the best future for coal is in the developing of transportation fuels? In my view, that is what the Bunning amendment concludes.

The Tester amendment, to the contrary, takes a broader view of the future of coal. I believe we want to enable the development of many potential uses of coal that are both environmentally and economically sound. We should not be focused on commercializing in large-scale uses of coal that do not make good sense in the marketplace.

First, let me say a couple of things about the Bunning amendment.

There are currently no large-scale coal-to-liquid plants in the United States. The price tag of a typical plant is in the billions of dollars.

The Bunning amendment purports to require that coal-derived fuels be 20 percent better than gasoline. But we have an apples-to-oranges comparison here because coal-to-liquids plants will produce primarily diesel fuel, not gasoline. The total greenhouse gas emissions from coal-derived diesels are likely to be greater by about 150 percent than the emissions from diesels that are powered from petroleum.

The Bunning amendment is technologically limiting, and such uses of coal as conversion to chemicals, to plastics, and to fertilizer are not permitted to benefit from the Bunning amendment.

Coal-to-liquids products mandated by the Bunning amendment have very large water requirements. Water requirements are estimated to be about 2 gallons for every gallon of coal-derived fuel produced. The Tester amendment, by contrast, is much more broad in the beneficial uses coal can be put to, whether to make fuels or fertilizers or plastics or chemicals.

There are industrial plants in the United States that do use coal commercially as a feedstock for chemical products.

I have a letter from the president of Dow Chemical which I ask unanimous consent to be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BINGAMAN. He states as follows in that letter:

On behalf of Dow Chemical Company, I write to offer my strongest support for Senator TESTER's ''Coal Innovation'' amendment.

Simply put, it will allow companies to build gasification plants in the United States that run on coal, biomass and other feedstocks, while helping to increase fuel and feedstock diversity and demonstrate options for carbon capture and storage. This will result in gasification plants that are more efficient and help address climate change and contribute to energy security.

Mr. President, I also have a letter that I want to have printed in the RECORD at the end of my remarks from various unions—the AFL–CIO Building and Construction Trades Department, the Industrial Union, the United Mine Workers, various others.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 2.)

Mr. BINGAMAN. They strongly endorse the Tester amendment. They previously were part of a coal-to-liquids coalition which issued an earlier letter which has now been rescinded which spoke in favor of the Bunning amendment and against the Tester amendment, and they say in their letter that they strongly support the Tester amendment.

Clearly, I think the Tester amendment gives us the best chance of promoting the use of coal to meet our energy needs in the future, and I strongly support it and oppose the Bunning amendment. I hope my colleagues will do the same. I believe this is the right course for us to follow.

EXHIBIT 1

THE DOW CHEMICAL COMPANY,
Midland, Michigan, June 18, 2007.

Hon. JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN BINGAMAN: On behalf of The Dow Chemical Company, I write to offer my strongest support for Senator Tester's ''Coal Innovation'' amendment to H.R. 6, the energy bill pending before the Senate. Simply put, it will allow companies to build gasification plants in the United States that run on coal, biomass and other feedstocks, while helping to increase fuel and feedstock diversity and demonstrate options for carbon capture and storage. This will result in gasification plants that are more efficient, help address climate change and contribute to energy security.

Dow is excited by the prospect of this legislation being enacted. As you know, Dow is one of the world's largest chemical companies and is heavily reliant in the U.S. on natural gas and oil as raw materials for the products we manufacture. High and volatile prices for these inputs have caused the company's energy bill to swell three-fold since 2002, reaching $22 billion last year, and have forced us to look to other parts of the world for our growth.

In an effort to address this problem, and to help sustain our operations here, we have expressed interest in utilizing industrial gasification technology and in leading a consortium in the U.S. to demonstrate it on a commercial scale. A company like Dow could be a major purchaser of the syngas and/or the naphtha that these plants produce. As you know, the military also has a high interest in taking syngas-based liquid fuels.

Dow would be able to make virtually all of the products we currently make from natural gas liquids by substituting coal, biomass or a combination thereof. The ability to manufacture products like plastics, fibers and coatings would help to optimize the carbon footprint of a project, since a portion of the carbon would reside in finished goods that are not burned. However, one major hurdle for any would-be plant sponsor is the financing. The direct loans in the amendment would go a long way toward helping to get these types of plants built, and help provide, in the long run, a lower cost alternative to oil and natural gas.

In addition, Dow believes that the environmental standards in the bill are achievable. The requirement that 75% of the carbon dioxide generated is captured will ensure that all companies prepare for long-term CO2 management. This will help drive action to make carbon capture and storage a reality sooner rather than later.

Thank you for your and your staff's attention to this issue, which is critical to American manufacturing, the economy and our energy security. Please let us know if there is any way we can be of assistance on this matter.

Sincerely,

ANDREW N. LIVERIS,
Chairman and CEO.

EXHIBIT 2

JUNE 18, 2007.

DEAR SENATOR: On June 13, 2007 the Coal-to-Liquids (CTL) Coalition sent you a letter purporting to have the support of the undersigned labor unions and organizations. The CTL Coalition did not clear this letter with us before sending it. We regret that this letter created the mistaken impression that our organizations had arrived at a position on the issues addressed in the June 13 letter.

Unfortunately, this unauthorized correspondence has been misconstrued to mean that our organizations oppose an amendment that Senators Tester, Byrd, Rockefeller, Salazar, and Bingaman are expected to offer later this week to the Creating Long-Term Energy Alternatives for the Nation (CLEAN Energy) Act of 2007 (H.R. 6).

On the contrary, we strongly urge your support for the Tester-Byrd-Rockefeller-Salazar-Bingaman amendment to establish a coal innovation direct loan program. This $10 billion program would enable America to build successful large-scale facilities to demonstrate carbon dioxide capture for coal conversion technologies, which is essential to guarantee the viability of coal into the future. The coal innovation direct loan program would create thousands of U.S. jobs in mining, construction, and operation.

We believe strongly that coal can be both an economically and environmentally responsible choice for America's energy security. To realize the potential of coal, America must make significant investments to prove the new technologies vital to its future. We therefore urge you to support the Tester-Byrd-Rockefeller-Salazar-Bingaman amendment.

Sincerely,

AFL–CIO Building and Construction Trades Department.
AFL–CIO Industrial Union Council.
International Brotherhood of Boilermakers.
International Union of Operating Engineers.
Laborers International Union of North America.
United Mine Workers of America.

Mr. BINGAMAN. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Montana.

Mr. TESTER. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TESTER. Mr. President, I wish to speak in opposition to amendment 1628, the Bunning amendment, for a number of reasons.

No. 1, this is a mandate to develop the gallonage from coal to liquids. I don't think it is the right direction to go. This amendment—folks have been using apples and oranges to compare greenhouse gases. The Bunning amendment says coal to liquids will be 20 percent better than gasoline, but coal to liquids does not produce gasoline-equivalent fuel, they produce the equivalent of diesel fuel, and that is 150 percent higher in greenhouse gas emissions than diesel produced from petroleum.

The third thing, it is technology-limiting. Fuels produced from coal are only allowed under the Bunning amendment rather than articles such as fertilizer, chemicals, and plastics, as my amendment does.

Finally, there is no path to coal's future in a carbon-constrained world with the Bunning amendment—no requirement to deal with the carbon dioxide produced in the coal-to-liquids plants, no technology incentive to keep coal viable into the future, which we absolutely need. If and when our greenhouse gases are regulated, these plants will not be economic, and the cost to the consumers of the Bunning mandate will soar.

I have seen many signs up today, placards, talking about how coal-to-liquid technology is automatically less than petroleum. That is not correct unless you have carbon capture. The Bunning amendment does not allow for carbon capture. My amendment does.

With that, I would certainly suggest and request that the body vote against the Bunning amendment and support the Tester amendment No. 1614.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I ask unanimous consent to be permitted to speak for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I have sought recognition to speak in favor of the amendment which will be voted on later this afternoon which provides that we would lift the antitrust exemption which is now held by the OPEC nations.

There have been judicial interpretations holding that the OPEC countries have sovereign immunity from prosecution under the antitrust laws, and it is my legal judgment that the limited judicial holdings in this field are erroneous because there was a well-accepted exception to the sovereign immunity doctrine where there is commercial activity involved. But in any event, there is no doubt that the Congress of the United States has the authority to legislate in the field, and I believe it would be very crucial to remove the antitrust exemption which the OPEC nations now have.

We have a crisis—a strong word but I think an accurate word—on gasoline prices today. The price of crude oil has been hovering around $65 a barrel. The American people are paying on average more than $3 a gallon for gasoline. Consumers are paying more for products because American companies have to pay more to manufacture, and without going into great detail, there is no doubt that there is a crisis in the field.

This legislation has been acted on in the past—in the 109th Congress when I chaired the Judiciary Committee—and it has been reintroduced this year. Senator KOHL is the chairman of the Subcommittee on Antitrust and has taken the lead, and we have a very impressive list of sponsors: Senator LEAHY, Senator GRASSLEY, Senator BIDEN, Senator COBURN, Senator FEINGOLD, Senator SNOWE, Senator DURBIN, Senator BOXER, Senator LIEBERMAN, Senator SCHUMER, Senator SANDERS, as well as my own cosponsorship of this legislation.

I have been interested in this subject for more than a decade because I think the antitrust exemption which they enjoy ought not to be. I wrote to President Clinton in his term in office—and received no answer on the subject—a very lengthy letter which I put in the CONGRESSIONAL RECORD when I spoke on this amendment last week. I followed it up with a letter to President George Bush on the same subject. We passed the amendment last year. As I say, it was dropped in conference. We are asking for a rollcall vote on it this time because the practical realities are, if it gets a very strong vote—and I anticipate it will—it will have more stature when it gets to conference.

I urge my colleagues to support this amendment to eliminate the conspiracy, the concerted action where the OPEC nations get together in a room, reduce supply, and that raises the price. This is an important amendment, and it will contribute to reducing the price of gasoline at the pump.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. Roughly 9 minutes for the majority, and there is no time remaining for the minority.

Mr. BINGAMAN. Mr. President, let me ask the Senator from Montana if he wanted to use the remaining 9 minutes or some lesser amount of that. We can go ahead and go to a vote whenever you are finished with your statement.

The PRESIDING OFFICER. The Senator from Montana.

Mr. TESTER. I just want to talk about my amendment, 1614, as long as we have time to do that, very quickly recap it because I think it is important that we know the facts.

First of all, we have enough coal in this country, if it is used at the current rate, to last us for 250 years. We need to develop it responsibly. This amendment for coal to liquids will develop it responsibly. What it does is it provides grants and loans for clean coal technology. Let me tell you the parameters because some folks have said this can't be achieved.

In front of the Senate Finance Committee, it was testified that it is entirely capable, with the technology we have today, to have 85 percent carbon capture. This amendment requires 75 percent carbon capture.

The National Mining Association said that with coal to liquids, adding some biomass with the coal, we could achieve 46 percent less in life cycle greenhouse gases than comparable petroleum—46 percent less. This amendment requires 20 percent less. This amendment is entirely doable by the industry. If we want to develop our coal resources in a manner that meets the needs of consumers as well as being able to develop our coal resources in a responsible way that would not trash the environment when climate change is such a huge issue in the world, we need to step forth and adopt this amendment.

I could go into the amendment further and talk about the potential of replacing foreign oil. I could talk about how it is a win-win situation for the country overall, as far as achieving energy independence, as we push this bill forward that deals with renewables such as biofuels and wind and solar and geothermal. The fact is, with this amendment there are no bogeymen. It is achievable by the industry, and it should be adopted if we are going to lead this country down the road of energy independence, a road that will allow the climate change issue to be put to bed.

By the way, if we pass this amendment, I fully believe, with the two powerplants a month China is putting on board at 500 megawatts each, we can also help lead China down a road to clean coal technology.

I would appreciate a ''yes'' vote on amendment 1614.

I yield the floor.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Republican leader.

Mr. MCCONNELL. Madam President, I rise to speak in support of my good friend from Kentucky, Senator BUNNING, and his amendment with the Senator from New Mexico to establish a program to help support and promote clean coal-to-liquid fuels. Focusing more on coal-to-liquid fuels will benefit our economy and our national security. Coal is a vital part of America's energy production, and coal is a vital part of Kentucky's economy and history. The coal industry creates over 60,000 jobs in my State, including approximately 15,000 coal miners. Over half the country's electricity is generated by coal, and coal constitutes over 90 percent of America's fossil fuel resources. That means the coal we can mine in this country alone would be enough to supply our Nation for more than 250 years. What Saudi Arabia is to oil, America is to coal. Therefore, it would be irresponsible of us, not to mention downright foolish, not to invest in technology to take advantage of this vital natural resource. That is why I thank my friend Senator BUNNING for his leadership on this issue.

Greater use of coal-to-liquid fuels will benefit the environment by reducing emissions of sulfur dioxide, nitrous oxide, particulate matter, and other pollutants as compared to conventional fuels. The Bunning amendment also requires that coal-to-liquid fuels under this program reduce greenhouse gas emissions by 20 percent relative to gasoline. Greater use of coal-to-liquid fuels, which we can generate here at home, will mean less dependence on foreign sources of oil. Right now America gets 60 percent of its oil from foreign countries, many of which do not have our best interests at heart, as we certainly know. Passing this amendment will mean greater energy independence and strengthened national security. I commend my good friend and fellow Senator JIM BUNNING, as well as Senator DOMENICI. Senator BUNNING has been hard at work on this issue for a lengthy time. I thank him for his dedication to the coal producers and miners of Kentucky and America. This amendment is the right thing to do for them, for our economy, and for our national security.

I urge my colleagues to support it.

I yield the floor.

Mr. BINGAMAN. Madam President, I yield back the time.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to amendment No. 1628 offered by the Senator from Kentucky, Mr. BUNNING.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Connecticut (Mr. DODD) and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 55, as follows:

[Rollcall Vote No. 213 Leg.]

YEAS—39

Allard	Dole	Martinez
Bennett	Domenici	McConnell
Bond	Ensign	Murkowski
Bunning	Enzi	Roberts
Burr	Graham	Sessions
Chambliss	Grassley	Shelby
Cochran	Hagel	Smith
Coleman	Hatch	Specter
Corker	Hutchison	Stevens
Cornyn	Inhofe	Thune
Craig	Isakson	Vitter
Crapo	Lott	Voinovich
DeMint	Lugar	Warner

NAYS—55

Akaka	Feinstein	Nelson (FL)
Alexander	Gregg	Nelson (NE)
Baucus	Harkin	Obama
Bayh	Inouye	Pryor
Biden	Kennedy	Reed
Bingaman	Kerry	Reid
Boxer	Klobuchar	Rockefeller
Brown	Kohl	Salazar
Byrd	Kyl	Sanders
Cantwell	Landrieu	Schumer
Cardin	Lautenberg	Snowe
Carper	Leahy	Stabenow
Casey	Levin	Sununu
Clinton	Lieberman	Tester
Collins	Lincoln	Webb
Conrad	McCaskill	Whitehouse
Dorgan	Menendez	Wyden
Durbin	Mikulski	
Feingold	Murray	

NOT VOTING—5

Brownback	Dodd	McCain
Coburn	Johnson	

The amendment (No. 1628) was rejected.

Mr. BINGAMAN. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided on amendment No. 1614, offered by the Senator from Montana, Mr. TESTER.

The Senator from New Mexico.

Mr. BINGAMAN. Madam President, I strongly urge support for the Tester-Byrd amendment.

I yield the remainder of the time to Senator TESTER.

The PRESIDING OFFICER. The Senator from Montana.

Mr. TESTER. Madam President, what this amendment does is gives loans for equipment to capture and sequester carbon from coal-to-liquid technology. It also allows for loans to construct the plant.

The Federal Government has the opportunity right now to push coal to liquids forward with some dollars. Also, what happens with this amendment is—and these are entirely achievable parameters—75 percent of the carbon would be captured and sequestered, and it would be 20 percent less than life-cycle greenhouse gases from petroleum. It works for this country in making us more energy independent and it

works for the global warming issue to make sure we get our hands wrapped around that and it is progress in the proper way for energy development.

It is endorsed by the AFL–CIO, the United Mining Association, and Dow Chemical. This amendment is achievable, entirely achievable.

The industry testified in the Senate Finance Committee that they could capture and sequester 85 percent. This amendment does it at 75 percent.

I encourage the adoption of this amendment.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. DOMENICI. Madam President, I looked around and didn't see anyone else, so I guess I will respond.

Fellow Senators, we defeated the best amendment to assure we would bring coal to liquid on board. Now what you have is an amendment that says a $10 billion direct loan program—not any other kind of loan but a direct loan—meaning the appropriators, without the White House, can approve in appropriations $10 billion. But the kicker is it does not have to go for coal-to-liquid technology, it can go for a number of technologies, and if you can't reach it in coal, you will reach it in the others. So you surely are voting for $10 billion in direct loans. You are not assuring that you are going to get coal to liquid because the standards are so high you may not be able to achieve them in the coal to liquid.

That is enough for me. I thank you for giving me some time, and I urge a ''no'' vote.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1614.

Ms. LANDRIEU. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Connecticut (Mr. DODD) and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), and the Senator from Arizona (Mr. MCCAIN).

The result was announced—yeas 33, nays 61, as follows:

[Rollcall Vote No. 214 Leg.]

YEAS—33

Akaka	Dorgan	Murkowski
Baucus	Durbin	Nelson (FL)
Bayh	Inouye	Nelson (NE)
Bingaman	Klobuchar	Obama
Brown	Kohl	Pryor
Byrd	Landrieu	Reid
Carper	Levin	Rockefeller
Casey	Lieberman	Salazar
Clinton	Lincoln	Stabenow
Coleman	Lugar	Tester
Conrad	McCaskill	Webb

NAYS—61

Alexander	Enzi	Mikulski
Allard	Feingold	Murray
Bennett	Feinstein	Reed
Biden	Graham	Roberts
Bond	Grassley	Sanders
Boxer	Gregg	Schumer
Bunning	Hagel	Sessions
Burr	Harkin	Shelby
Cantwell	Hatch	Smith
Cardin	Hutchison	Snowe
Chambliss	Inhofe	Specter
Cochran	Isakson	Stevens
Collins	Kennedy	Sununu
Corker	Kerry	Thune
Cornyn	Kyl	Vitter
Craig	Lautenberg	Voinovich
Crapo	Leahy	Warner
DeMint	Lott	Whitehouse
Dole	Martinez	Wyden
Domenici	McConnell	
Ensign	Menendez	

NOT VOTING—5

Brownback	Dodd	McCain
Coburn	Johnson	

The amendment (No. 1614) was rejected.

AMENDMENT NO. 1519

The PRESIDING OFFICER. Under the previous order, there is 30 minutes equally divided on the Kohl amendment. Who yields time?

The Senator from Wisconsin.

Mr. KOHL. Madam President, I rise at this time with 13 cosponsors to urge all of my colleagues to support our bipartisan no-OPEC amendment to the Energy bill. This amendment will hold OPEC member nations to account under U.S. antitrust law when they agree to limit supply or fix prices in violation of the most basic principles of free competition.

In addition to the 13 cosponsors of this amendment today, companion House legislation passed the other body last month by an overwhelming 345-to-72 vote. This amendment will authorize the Justice Department, and only the Justice Department, to file suit against nations or other entities that participate in a conspiracy to limit supply or fix the price of oil.

We have longed decried OPEC, but sadly no one in Government has yet tried to take any action. This amendment will, for the first time, establish clearly and plainly that when a group of competing oil producers, such as the OPEC nations, act together to restrict supply or to set prices, then they will be violating U.S. law.

As we consider the high price of gas, one fact has remained consistent: the price of crude oil and, in turn, gasoline dances to the tune set by the OPEC members.

Referring to the 18-percent rise in worldwide crude oil prices since the start of the year, OPEC's president commented:

> We did have a bad situation at the beginning of the year, but it is much better now.

The difference was OPEC's decision last fall to enforce combined output cuts of 1.7 billion barrels of oil a day in order to drive up the price of crude oil. Just last week, OPEC refused to add more oil supply to the market despite the International Energy Agency's urgent call for new supplies to meet rising demand.

While OPEC enjoys its newfound riches, the average American consumer suffers every time he or she visits the gas pump or pays a home heating bill. Gas prices have now increased 71 cents a gallon just since the start of the year, to a current national average of $3.01 per gallon, an increase of more than 30 percent.

The Federal Trade Commission has estimated that 85 percent of the variability in the cost of gasoline is the result of changes in the cost of crude oil. If private companies engaged in such an international price-fixing conspiracy, there would be no question it would be illegal. The actions of OPEC should be treated no differently because it is a conspiracy of nations.

The amendment will not authorize private lawsuits, but it will authorize the Justice Department to file suit under the antitrust laws for redress. It will always be at the discretion of the Justice Department and the President as to whether to take action against OPEC.

Our amendment will not require the Government to bring legal action against OPEC member nations. This decision will entirely remain in the discretion of the executive branch.

I believe the Senate should now join the 345 of our colleagues in the House and vote to support this legislation.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. BINGAMAN. Madam President, there is an old legal adage that says, hard cases make bad law. That seems to be the case here. No one likes OPEC. None of us like being put in a position of appearing to defend OPEC. But this amendment, in my opinion, would make bad law. The Framers of the Constitution wisely assigned responsibility for formulating foreign policy and conducting foreign relations to the President and to the Congress, not to the law courts.

Chief Justice Marshall said nearly two centuries ago:

> The judiciary is not the department of the Government to which the assertion of its interest against foreign powers is confided. A question like this is more a political one than a legal one.

There has been much talk in this Chamber over the years about the proper role of the judiciary. Nearly every time we are asked to confirm a judicial nomination, we hear speeches given on the Senate floor about the need for judges to confine themselves to the business of interpreting the law, not making the law. And this is exactly what the courts have done in this circumstance.

Here is a case where the courts have wisely recognized that OPEC's pricing policies are not something that should be litigated in U.S. courts but should instead be addressed by the political branches of the Government—the President, the executive branch, and the Congress. Senator KOHL's amendment would throw the issue of OPEC's

oil prices back into our courts and force the courts to address those issues.

The amendment before us has its roots in a lawsuit filed by the labor union nearly 30 years ago. The union at that time charged OPEC with price fixing in violation of our antitrust laws.

The trial court dismissed the case on the ground that OPEC members are sovereign nations and are immune from suit. On appeal, the appeals court affirmed the dismissal, though for different reasons. It dismissed the suit under the act of State doctrine. In the court's words:

The act of State doctrine declares a United States court will not adjudicate a politically sensitive dispute which would require the court to judge the legality of the sovereign act of a foreign State.

Quoting the Supreme Court, the Court said:

Every sovereign State is bound to respect the independence of every other sovereign State, and the courts of one country will not sit in judgment on the acts of the government of another done within its own territory.

Senator KOHL's amendment overturns the act of state doctrine, at least so far as OPEC is concerned. It also creates a new offense under the Sherman Act to get at OPEC, it waives sovereign immunity for this new offense, and it amends the Foreign Sovereign Immunities Act to cover the new offense. In short, it sweeps away all of the legal defenses OPEC members have against antitrust suits in our courts.

Adopting the amendment will undoubtedly be very popular, but it is also very unwise. The Ninth Circuit Court of Appeals explained nearly 30 years ago:

To participate adeptly in the global community, the United States must speak with one voice and pursue a careful and deliberate policy.

The President can do this, the court said; the judiciary cannot.

Here is another quote from that same decision:

When the courts engage in piecemeal adjudication of the legality of the sovereign acts of states, they risk disruption of our country's international diplomacy. The executive may utilize protocol, economic sanction, compromise, delay, and persuasion to achieve international objectives. Ill-timed judicial decisions challenging the acts of foreign states could nullify these tools and embarrass the United States in the eyes of the world.

In this case—

the granting of any relief would in effect amount to an order from a domestic court instructing a foreign sovereign to alter its chosen means of allocating and profiting from its own valuable natural resources. On the other hand, should the court hold that OPEC's actions are legal, this would greatly strengthen the bargaining hand of the OPEC nations in the event that Congress or the executive chooses to condemn OPEC's actions.

In addition, we here in the Senate ought to consider how enactment of this amendment might affect our relations with OPEC members. What will be the international repercussions when the United States starts awarding judgments against foreign nations and attaching their assets in this country? What sort of precedent will the amendment set in the international community? Will other nations start to view our trade policies—such as our nuclear trade restrictions—as violations of their antitrust laws?

The Bush administration has offered us answers to some of these questions. Its statement of administration policy on this bill, which we are considering here in the Senate, says that:

The consequent targeting of foreign direct investment in the United States as a source of damage awards would likely spur retaliatory action against American interests in those countries and lead to a reduction in oil available to U.S. refiners. Not only would such a result substantially harm U.S. interests abroad, it would discourage foreign investment in the United States economy.

For these reasons, the administration concluded:

If a bill including such a provision is presented to the President—

That is the bill we are considering right here on the Senate floor.

—his senior advisers will recommend that he veto the bill.

For all these reasons, I urge my colleagues to vote against the Kohl amendment.

Madam President, how much time remains on both sides?

The PRESIDING OFFICER. There is 8½ minutes in opposition, and 11½ minutes in support.

Mr. LEAHY. Madam President, I join Senator KOHL as a cosponsor of his NOPEC amendment and urge the Senate to adopt it. Under Senator KOHL's leadership, the NOPEC bill has passed unanimously out of the Senate Judiciary Committee without amendment in four separate Congresses, under both Democratic and Republican leadership.

The support for this legislation is both bipartisan and bicameral. The House of Representatives recently passed NOPEC with 345 Members voting for it.

NOPEC will simply hold accountable certain oil-producing nations for their collusive behavior that has artificially reduced the supply and inflated the price of fuel. Unless this amendment becomes law, consumers across the Nation will continue to suffer.

The rise and fall of oil and gas prices has a direct impact on American consumers and our economy. Last month, gas prices in the United States reached a near record high. While prices have come down slightly in recent weeks, that is no reason to condone anticompetitive conduct by foreign government cartels. American consumers should not be held economic hostage to the whim of colluding, foreign governments.

The Associated Press recently reported the Iranian oil minister's announcement that members of OPEC would not increase the supply of oil despite reports that demand is on the rise. Without collusion, OPEC members would compete to serve that demand and prices at home would fall.

When entities engage in anticompetitive conduct that harms American consumers, it is the responsibility of the Department of Justice to investigate and prosecute. It is wrong to let members of OPEC off the hook just because their anticompetitive practices come with the seal of approval of national governments. I am disappointed that the administration does not share this view and has threatened a veto.

Americans deserve better, and it is time for Congress to act. We know the oil cartel and Big Oil companies like things just the way they are, and why shouldn't they? They continue to break new records as they roll up huge profits taken from consumers' pockets.

I hope this Senate and this Congress will take the side of American consumers, not the side of Status Quo, Incorporated. We cannot claim to be energy independent while we permit foreign governments to manipulate oil prices in an anticompetitive manner. I thank Senator KOHL for his leadership on this issue.

Mr. BINGAMAN. Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Madam President, I yield several minutes to Senator LINCOLN.

I am sorry, did the Senator from Rhode Island wish to speak?

Mr. WHITEHOUSE. If I may, but it is to a different amendment. It is for the Cardin amendment.

Mr. BINGAMAN. Madam President, if we could complete the debate on this amendment, and then if the Senator wishes to yield back time, we could proceed to debate on the next amendment.

Mr. WHITEHOUSE. That will be fine.

Mr. KOHL. Madam President, I will yield several minutes to Senator LINCOLN.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 1556

Mrs. LINCOLN. Madam President, I thank my colleague from Wisconsin, Senator KOHL, for giving me a few moments.

My comments are on a slightly different topic today, and I appreciate my colleague yielding to me. I filed an amendment, No. 1556, to the energy legislation almost a week ago. Since that time, I have pleaded with my colleagues to help reach an agreement where I could come to the floor and offer this important amendment. I offered it several times last week in the latter part of the week so it could be considered by the Chamber and get an up-or-down vote on its merits. Unfortunately, I understand that certain colleagues are unwilling to lift their objection to this amendment being considered on the floor under any circumstances. So I come to the floor today to try to express some of my frustrations in dealing with this bill and particularly my amendment, not

only for myself and many of my colleagues who are strongly in support of my amendment but also for the hard-working farm families across our Nation.

The amendment I introduced with my good friend and colleague from New Mexico, Senator DOMENICI, is quite simple. It is identical to the legislation we cosponsored together last Congress and have reintroduced again this year, which is S. 807. The bill already has 26 cosponsors in the Senate and 121 cosponsors in the House. This amendment is particularly timely and appropriate for the legislation we are currently considering in the Chamber today because there is a growing understanding in this countryside that without the clarification provided by this amendment, requirements and liabilities under CERCLA, a law designed to clean up toxic industrial pollutants, could be unfairly applied to America's farmers and ranchers of all sizes, of any size, large or small. These are the very men and women who hold the future of renewable energy production in this country in their hands and in their production operations.

The underlying bill we will consider today would take steps to promote the use of biomass, and specifically animal manure, as an important and critical source of renewable energy. It is widely known that farmers are beginning to use their excess manure for energy generation already, through methane digesters and other innovative technologies that are developing on a day-to-day basis. The expanded use of animal manure for energy production not only promotes our Nation's energy independence, it is also a way to control the unavoidable supply of manure and litter from livestock production in an environmentally friendly manner while adding economic value for our farm families and our rural communities.

This is a win-win situation for our Nation and especially for American agriculture. Yet as this Chamber stands ready to incentivize these innovative practices and spur the growth of alternative technologies to manage this waste, pending lawsuits threaten the entire viability of this emerging industry, not to mention the viability of the hard-working farm families across our country.

We should not stand by and allow a situation where farmers or those who are transporting manure for energy production or other purposes are handling a hazardous waste subject to CERCLA's strict and punitive liability provisions.

It is worth noting that CERCLA section 101(14) specifically excludes petroleum. Here we are, looking to lessen our independence on foreign oil and petroleum products, yet they are exempt from CERCLA. We are looking at the possibility of agricultural by-products being included in CERCLA under the definition of hazardous waste substances but petroleum releases are not subject to CERCLA reporting and liability provisions. Why is it these same liability provisions should apply to our Nation's farmers and ranchers, and particularly our dairy farmers? Farmers and ranchers have always been responsible stewards of the land, making great strides to preserve a healthy environment for their food production but also for their families and communities. Keep in mind that agricultural operations are already regulated under the Clean Water and the Clean Air Acts, as well as other Federal and State environmental laws. The larger size operations are subject to management practices. These are the appropriate regulatory tools to manage the environmental impacts of agriculture in this country, and any farmer will tell you that our U.S. producers are already subject to much greater scrutiny in this area than their foreign competitors. That is one reason why Americans continue to enjoy the safest food supply in the world, produced right here at home by our Nation's farm families, working as hard as they possibly can to not only produce that safe food and fiber but to do it in a way that is respectful of the environment under the regulations we put upon them. The last thing we need to do is stand by and allow policies that encourage the outsourcing of food production in this country.

On that note, it is my view that Congress never intended for CERCLA to apply to agriculture in the first place. In fact, the idea of including animal agriculture under CERCLA was never raised during the first two decades of this law's existence. If normal animal manure is found by the courts to be a hazardous substance under CERCLA, then virtually every farming operation in the country could be potentially exposed to severe liability and penalties under the law. Clearly, Congress never intended such an outcome, and we should take the necessary steps by taking up and passing my amendment to ensure that the courts clearly understand what our congressional intent is. We should not jeopardize American agriculture by allowing courts to impose CERCLA liability on farmers for their traditional farming practices, including the use of manure as a beneficial fertilizer or an emerging feedstock for renewable energy production. This would be most unfortunate.

I hope my colleagues will look at this and be aware. I will continue my efforts to clarify that CERCLA liability does not apply to agriculture, to our livestock, to our ranches and our dairy farms, making sure that agriculture in this country can continue to do what it has always done, and that is to produce a safe, abundant, and affordable food supply under the regulations we provide them.

I thank the Senator from Wisconsin for yielding, and I yield back his time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I believe we have 8 minutes remaining in opposition, and I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

AMENDMENT NO. 1519

Mr. DOMENICI. First, before the Senator from Arkansas leaves the floor, I wish to say I associate myself with her remarks as they pertain to both subjects, and in particular CERCLA, in which we both share a common interest. We have to get something done; we both know it. Those who are not letting us have a chance at getting a vote will find out sooner or later we are going to get a vote, and what is fair and reasonable will prevail. We are going to work hard to see that is done sooner rather than later.

Having said that, I want to talk about the No-OPEC amendment that would permit legal action to be brought in U.S. courts by the Department of Justice on alleged price-fixing and other anticompetitive behavior affecting petroleum product pricing, production, and distribution by members of the Organization of Petroleum Exporting Countries—OPEC.

While I can see at some level how this idea appeals to our sense of fairness and our frustration about oil prices, I must oppose this amendment and join with my chairman, because it is reality, not sentiment, that counts in public policy. The reality is this amendment would be unenforceable. OPEC producers would simply decide not to sell oil to us any longer. One-third of the oil used in the United States every day comes from an OPEC member. They would suffer the loss of some profits, but our entire economy could come to a grinding halt.

Another problem I have with the amendment is it is a major change in international law that has potential applications beyond the oil sector. The sovereignty of nations is put into question by this amendment. I know of no instance when the United States Government sued a foreign government.

I think if this amendment passes, we can expect a jittery oil market to become even more nervous. We can expect that. In reality, that means higher prices. We can expect less transparency from OPEC. In reality, that means higher prices. We can also expect less cooperation from OPEC in the future, and I think that, too, will lead to higher prices.

I believe this amendment should fail, but obviously, looking at the past and looking at the propensity of Senators to vote on this amendment without looking at the realities of it, I am not too hopeful. Nonetheless, that is the extent of my remarks.

Madam President, I yield the floor.

Mr. BINGAMAN. Madam President, how much time remains on both sides?

The PRESIDING OFFICER. There is 5 minutes in opposition and about 3½ in favor.

Mr. BINGAMAN. Madam President, I think the Senator from Wisconsin should be given the chance to conclude

his remarks or close the argument. I will yield back the time in opposition and allow Senator KOHL to use whatever additional times he wants. Then we can close the debate on this amendment and proceed to the next amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. Madam President, I believe the arguments set forth by the administration, as well as those on the floor today in opposition to this bill, are without merit. For example, we disagree that it would harm U.S. interests overseas.

The Justice Department has taken action to sue many foreign cartels that have engaged in price fixing, including, for example, the international vitamin cartel. There has been no retaliation against U.S. business interests abroad.

Only 11 Nations in the world are members of the OPEC oil cartel. There would be no reason for any other Nation to retaliate against the United States for attempting to enforce this legislation. The idea that OPEC could strongly discourage investment in the U.S. economy is likewise speculative and without basis. The existence of strong U.S. antitrust laws for over a century, laws that are already reaching foreign conduct affecting the U.S. markets, has not discouraged investment in the United States.

Further, and this is enormously important, this legislation does not require the administration to do anything. It simply gives them the authority to bring action in court against the OPEC oil cartel. It seems to me the legislation would have a constructive effect in bringing notice to the OPEC oil cartel that we do have recourse, should it be necessary, to move against them in retaliation of their fixing prices of oil at unreasonably high levels.

That is why I believe this legislation should be passed by this body as it was passed by the House of Representatives.

I yield back the remainder of our time.

Mr. DOMENICI. I think Senator BINGAMAN yielded our time back.

The PRESIDING OFFICER. All time is yielded back. There will now be 30 minutes of debate on the Thune amendment. Who yields time?

Mr. BINGAMAN. Madam President, I see Senator WHITEHOUSE is waiting to speak on the Cardin amendment. Senator THUNE is agreeable to letting him speak for 3 minutes or so on that before beginning discussion on the Thune amendment. So I ask unanimous consent that that be the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island is recognized for 3 minutes.

AMENDMENT NO. 1610

Mr. WHITEHOUSE. I thank Senators BINGAMAN and THUNE for their courtesy. I am here today to express my support for an amendment sponsored by my colleague, Senator CARDIN, regarding State approval for liquefied natural gas terminals. I am a cosponsor of this important bipartisan amendment with Senators MIKULSKI, SNOWE, DODD, KERRY, KENNEDY, BOXER, LIEBERMAN, and my senior Senator, JACK REED of Rhode Island.

Our country is grappling with a serious and difficult question: how to meet our growing energy needs without depleting our natural resources, threatening our environment or endangering our people.

I strongly support the work of Senators BOXER and BINGAMAN, with many of our colleagues, to take a significant step forward in our use of alternative and renewable fuels. But as we develop these new and emerging fuel sources, we must take great care to balance our need for energy with other imperatives.

Liquefied natural gas is rapidly assuming a larger share of the overall natural gas market. Over 40 new LNG terminals are now proposed for construction, many of which are planned near heavily populated areas or environmentally sensitive coastal areas. Unfortunately, in their haste to expand this market, the LNG industry and the Federal Energy Regulatory Commission have dismissed the risks this poses to public safety and the environment. I am particularly concerned about a proposed LNG terminal in Fall River, MA, a town of nearly 100,000 people, barely over the State line from Rhode Island.

This is Rhode Island's treasured Narragansett Bay. The Bay is used, particularly on beautiful summer days such as today, for commercial and recreational boating and fishing. Tens of thousands of Rhode Islanders live along its shores, and our Bay is in many ways the economic heart, as well as the environmental and recreational heart, of our ocean State.

Now, to reach the LNG facility proposed for Fall River, LNG tankers would have to navigate 21 nautical miles through Narragansett Bay, passing directly by the homes and businesses of 64,000 Rhode Island residents. Along the way, tankers would pass under four heavily trafficked bridges and execute what the Coast Guard itself recently described as extremely challenging navigational maneuvers, as many as 130 times per year.

Moreover, the tanker requires a security zone around it as it proceeds through the Bay. Here is the tanker. This is the size of the security zone it requires, completely occupying the east passage going up through Narragansett Bay between Newport and Jamestown. It would displace all recreational boaters and other cargo boats and disrupt bridge traffic as it transits.

The residents of my State of Rhode Island have spoken loudly and in large numbers against the LNG terminal proposed for Fall River. I have heard their deep concern about the environmental and security risks posed by LNG tankers passing so close to their homes and communities. Yet their voices have not been heard adequately in the current process for permitting LNG terminals.

This amendment would help correct this flaw and give all States and communities the seat at the table they deserve, by requiring the concurrence of affected States for permits to build liquefied natural gas terminals.

The PRESIDING OFFICER. The Senator has used 3 minutes.

Mr. WHITEHOUSE. I urge my colleagues to vote in favor of this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 1609

Mr. THUNE. Madam President, I rise today in support of my amendment to create clean energy corridors, which will greatly enhance our grid system to transmit clean and renewable energy.

Much of the debate in this Energy bill has focused on renewable energy. How much renewable energy should we use? How should it be produced? Who should be required to use it? However, this debate has overlooked a key component in this argument, which is, how do we transport this energy from areas with high concentrations of renewable resources to areas with high demand for electrical power?

Oftentimes, clean, renewable sources of power are located in rural areas with low demand for electricity and limited capacity to transmit large amounts of power long distances. At the other end of the spectrum, States with larger urban areas are passing State laws that require the use of renewable energy. In many cases, it is more economical to import that energy from other areas of the country.

It is critical that we create the infrastructure to allow that movement of energy to happen. I have to point to this chart to illustrate exactly how my State of South Dakota serves as a prime example of this dilemma. In South Dakota, we are blessed to have abundant sources of wind. In fact, according to the U.S. Department of Energy, South Dakota has enough wind to produce 566 gigawatts of electric power from wind, which is the equivalent of 55 percent of the Nation's electricity demand.

I will refer to the chart. If you look at these red areas and the pink areas, the purple areas around the country, all these different colors demonstrate varying amounts of wind energy.

Of course, as you can see, South Dakota and North Dakota, Minnesota, Iowa, have enormous amounts of wind energy available. Although South Dakota has an abundant source of wind, this renewable resource is dramatically underdeveloped in my State.

In fact, we have less than one-tenth the wind energy production of our neighboring States, even though our wind resources are far superior. The fundamental problem is we don't have the population markets to use large amounts of wind power within my State's borders.

More importantly, we lack the transmission capacity to carry wind power from rural areas in South Dakota to urban areas in other areas of the country. This amendment includes simple provisions that would significantly improve transmission development for renewable sources of energy.

First, this amendment would direct the Department of Energy to identify areas with transmission constraints that increase costs to consumers, limit resource options to serve load growth or limit access to sources of clean, renewable energy, such as wind, solar, geothermal energy, and biomass.

Upon completion of this study, after verifying all alternatives and public comments, the Department of Energy could then designate these areas as ''National Interest Electric Transmission Corridors.''

These corridors, which enjoyed broad bipartisan support as part of the Energy Policy Act of 2005, are important tools for transmission development. Under current law, these corridors are targeted toward areas experiencing heavy grid congestion. My amendment would expand the designation of these corridors to include access to clean, renewable sources of energy.

This amendment also directs the Federal Energy Regulatory Commission to establish regulations that allow public utilities to allocate and recover costs associated with building the additional transmission infrastructure for wind and other forms of renewable energy. It ensures that rates associated with this development are reasonable, just, and nondiscriminatory.

By overcoming some of the inherent obstacles associated with transmitting renewable energy long distances, I believe this amendment promotes clean, renewable sources of energy in a commonsense fashion.

This amendment will serve as the blueprint for the 21st century grid by facilitating the national scale designation and construction of clean energy corridors that will enable the delivery of clean, sustainable, reliable power to consumers across this country.

As I have met with people from the industry, as I have traveled my State, as I have talked with those who invest in energy projects, it is clear that this is one of the issues that presents a major obstacle to wind energy development in this country. This amendment helps address that by creating and opening these corridors, clean energy corridors that would allow clean green wind energy to make it from areas where it is in abundance, places such as the State of South Dakota, to places in the country that desperately need affordable power.

So I hope my colleagues in the Senate will support this amendment and do something that will significantly address and further the production of wind energy and affordable electricity to America's consumers.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I wish to say to the Senator, I congratulate you on this amendment, the scope of the amendment and the rationale. It is something we need. From my standpoint, I am in favor of it. It will not require a rollcall vote. Hopefully, we can dispose of your amendment very shortly.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Madam President, Senator THUNE's amendment makes a major change in a provision of the Federal Power Act that governs the siting of electric transmission lines. Until 2 years ago, the siting of electric transmission lines was under the exclusive control of the States. The Federal Power Act gave neither the Secretary of Energy nor the Federal Energy Regulatory Commission the authority to site transmission lines.

The States tended to make their siting decisions in the best interests of their citizens, not necessarily in the best interests of the citizens of neighboring or even distant States that might benefit by the long distance transmission of electricity.

Two years ago, in the Energy Policy Act of 2005, which I worked on with Senator DOMENICI, which amended the Federal Power Act to provide what is called the Federal backstop siting authority. Specifically, we directed the Secretary of Energy to conduct a comprehensive national study of electric transmission congestion once every 3 years.

We then authorized the Secretary to designate, based on the study, any geographic areas experiencing electric transmission congestion as ''national interest electric transmission corridors.'' The Secretary completed the first congestion study last August, and he has begun proceedings to designate the first national interest corridors.

Designation of an area as a national interest corridor is likely to have serious consequences. Under the law we passed 2 years ago, a utility that wants to build an electric transmission line within the corridor can apply to the Federal Energy Regulatory Commission for a permit, and the Commission can approve construction of the transmission line without the permission of or even over the objections of the State. Once the Federal Energy Regulatory Commission issues the utility a permit, the utility can then go into Federal court and exercise the Federal Government's power of eminent domain and take private property to erect the transmission line.

I have heard speeches in the time I have served in the Senate from many of my colleagues about their concern over the exercise of the power of eminent domain. The passage of the Thune amendment substantially increases the likelihood that authority, that power of eminent domain, will be exercised against private property rights. Giving Federal officials and private utilities these powers was a major change in Federal law and a major departure from past practice. Nonetheless, we believed the step was warranted to ensure that the national interest in a national electric grid was protected. We believed that entrusting the Secretary of Energy with the task of studying congestion on a national basis and allowing the Secretary to designate only those areas which affected the national interest would prevent abuse of this Federal eminent domain authority.

Even though this authority is less than 2 years old, no corridors have yet been designated, no construction permits have been issued, and no private property has been taken. The authority is already, however, proving very controversial. There is major opposition to the use of this authority just west of here in northern Virginia and in other areas of the country. There has been talk of repealing the authority.

The Thune amendment will only add to the controversy. It makes a fundamental change in the current authority. The Thune amendment says that ''the Secretary may designate additional corridors . . . upon the application by an interested person.'' So even though the Secretary of Energy did not find that a particular area presented congestion concerns of national interest in conducting his congestion study last year and even though the Secretary of Energy did not see fit to propose an area as a national interest corridor, a utility that would like to make use of the Federal eminent domain authority to take private property can apply to the Secretary and the Secretary could then designate the area as a corridor under this new authority. This, as one of the authors of the provision we put in law in 2005, is a major expansion of that authority, and it is an unwarranted expansion.

In addition, the Thune amendment contains additional provisions on rates and recovery of costs which direct the Federal Energy Regulatory Commission to issue new rules setting transmission rates for the recovery of the cost of transmission lines in national interest corridors. Frankly, I am not entirely sure what the purpose of these provisions are. I am not sure how these provisions affect the ratemaking authority the Commission already exercises under the Federal Power Act. They are either redundant or unnecessary or else they authorize the Commission to set up a new rulemaking standard that will apply in national interest corridors different from the standard the Commission applies elsewhere.

I urge my colleagues to oppose the amendment. We should give the program we created in the Energy Policy Act just 2 years ago a chance to work before we dramatically expand it in ways that are not entirely clear.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, because our very economic security is dependent on the availability of electricity, our Nation must reinforce its electric power transmission system.

In the Energy Policy Act of 2005, Congress sought to establish national interest electric transmission corridors to make America's electricity grid more secure by ensuring there is enough capacity in essential areas.

In EPAct, we directed the Energy Department to identify regions where electricity reliability is threatened by transmission congestion and to designate national corridors. Congress further provided FERC with ''backstop siting'' authority for the construction of transmission facilities if the states involved are unable or unwilling to do so.

Just recently, DOE unveiled the following two draft corridor designations: the Mid-Atlantic Area National Corridor, which runs from New York to Northern Virginia; and the Southwest Area National Corridor, which includes counties in southern California, western Arizona, and southern Nevada.

The amendment offered by Senator THUNE would authorize the Energy Department, in designating national corridors, to consider transmission constraints or congestion that increases costs to consumers; limits resource options to serve load growth; or limits access to sources of clean energy, such as wind, solar, geothermal, and biomass.

Now we just had a debate on the Senate floor last week on the use of renewable energy sources. We all support the increased use of renewable energy sources but there is often heated opposition to the siting of transmission facilities. This is not in the national interest.

I don't see how you can support a mandate for more renewable energy sources but then oppose the designation of national corridors to get the transmission built that is needed to move these renewable energy sources to market.

Yet as we consider this amendment to expand the work we began in the Energy Policy Act of 2005, there are those in the House that are attempting to block the needed funding to implement the national corridors designations out of NIMBY concerns. Again, such attempts are not in the national interest.

The siting provision in EPAct literally provides a light at the end of the tunnel for parts of the country where the electricity grid is at risk due to congestion.

The Thune amendment simply seeks to allow national corridor designations to ensure the necessary transmission to access clean sources of energy like wind, solar, geothermal, and biomass.

I ask my colleagues to support the Thune amendment.

I congratulate Senator THUNE for his amendment because it is just a rational extension and expansion of what we did in the Energy Policy Act. I happened to be part of that Energy Policy Act. As a matter of fact, I think I can say that for years before we got together and Senator BINGAMAN and I were carrying it, we couldn't get it through. But we did get it through. I believe we got it through because it was high time the United States decided that for most matters we could stand on States rights, but every now and then something percolated up that demanded that we take a serious look at a greater interest of the Federal Government.

That is all we are talking about here. If the development of our electric grid ran into situations where you couldn't go through because of the obstinacy of a State to your moving from one State to another or one property owner had a transmission line totally locked up, you could back that up with the Federal Government ending up saying: It has to go because it is a big national interest. You are just kind of piggybacking on that national interest already found in that law as we passed it. Therefore, I believe it is appropriate that we pass this amendment tonight.

I yield back any time I have. I wonder if Senator BINGAMAN would so we could vote.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Before I yield back my time, I thank both Senators from New Mexico. They have both been great leaders on the energy issue.

The 2005 Energy Act was a landmark accomplishment in the Congress. It set a lot of new policy with regard to energy and moved us in a direction that gets us less dependent upon foreign sources of energy and more energy independent, which I think is what this debate is all about.

I argue with respect to this amendment that it builds upon the work we did in 2005. In fact, that amendment that was talked about in 2005 which deals with those areas which are experiencing heavy grid congestion—this simply expands that designation to those corridors to include access to clean, renewable sources of energy, which I believe is what a part of this debate is all about; that is, how do we take energy sources in this country, make them more available to people across the country, and lessen the dependence on foreign sources of energy?

I use my State as a prime example. There are lots of different regulatory bodies, whether it is the Federal Energy Regulatory Commission, the Western Area Power Administration, the Midwest Independent System Operators, whether it is the Public Utilities Commission of the State of South Dakota, there is a balkanization of networks out there that has evolved over time that has created these barriers in the grid to getting power from where it is generated, where it is produced, to where it is needed. My State is a good example of that. On the border of South Dakota, we have what is called a pancaking problem where there is a stacking of fees that makes it difficult to get wind generated in South Dakota across State lines into other areas that could benefit from it.

This is fairly straightforward and consistent with the good work that was done in the Energy bill in 2005. It doesn't in any way undermine or contradict that but complements it in a way that is consistent with what our priorities should be and what our objectives are in terms of energy policy.

I appreciate the comments of both of my colleagues from New Mexico, and I yield back the remainder of my time.

Mr. BINGAMAN. Madam President, I yield back any additional time remaining in opposition.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to amendment No. 1609.

The amendment (No. 1609) was agreed to.

Mr. DOMENICI. Madam President, I move to reconsider the vote.

Mr. BINGAMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1610

The PRESIDING OFFICER. Under the previous order, there remains 11½ minutes in support of and 15 minutes in opposition to amendment No. 1610 offered by the Senator from Maryland, Mr. CARDIN.

Who yields time? The Senator from Maryland.

Mr. CARDIN. Madam President, I yield myself 3 minutes.

The amendment I am proposing with Senators MIKULSKI, SNOWE, DODD, KERRY, REED, KENNEDY, WHITEHOUSE, BOXER, and LIEBERMAN would restore the authority of our State and local governments to protect the environment and ensure public safety with respect to the siting of liquefied natural gas—LNG—terminals within their States. This measure simply gives our States a say as to whether these kinds of facilities should be built within their boundaries and, if so, the exact location.

It amends the Rivers and Harbors Act of 1899. Under that law, the Army Corps of Engineers, acting for the Secretary of the Army, is responsible for issuing permits to anyone who wants to build a structure in and above waters of the United States. These are often called section 10 permits because that is where the provision is found in the Rivers and Harbors Act.

I wish to clarify, we are not changing the authority of the Federal Energy Regulatory Commission. Their authority to site is not changed by this amendment. What we are doing is requiring the Army Corps to work with our States before they issue their permits under the Rivers and Harbors Act. This is not about stopping LNG plants from being sited. Today, there are six in our country. One is located in my State of Maryland in the right location. This amendment is about siting

LNG plants where they should be sited and having confidence in federalism and in our States. Our States will act responsibly, but they should be consulted before LNG plants are sited. That is what this amendment will do. We want to make sure they are located in the right locations.

My colleague from Rhode Island pointed out pretty vividly the concerns he has about a site up in the New England area. AES Sparrows Point LNG and Mid-Atlantic Express have proposed building a new terminal near a densely populated area of Baltimore. That is the wrong location for an LNG plant. If we had consultation and working with the States, we would be able to site these facilities without the risk that they will be located in areas where they should not be. That is what the amendment is about. In our area, our congressional delegation, Governor O'Malley, Baltimore County Executive Jim Smith, and other local officials have all come out against this particular location because of the risk to the community, because of the risk to the environment.

This amendment is very simple. It requires the Army Corps to work with our States before an LNG license could be issued under section 10 permits. It is the right way for federalism to work. We should take advantage of each State's unique understanding of the issues it faces and make sure that expertise is considered in a meaningful way. That is why the Coastal States Organization supports this amendment. They believe it is the right sharing of how LNG plants should be sited.

I urge my colleagues to respect federalism. Respect the goodwill of our States. Respect the fact that we want LNG facilities and terminals to be located, but we want them to be located in the right location.

I yield my colleague from Maryland 5 minutes.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. I thank my colleague.

I understand this is his first amendment that will be voted on in the Senate. I am proud to stand with him as he stands up for Maryland and also stands up for the fact that when we are talking about the siting of an LNG facility, those who are the most affected should have the most to say, which means the State in which it is being located. I support this amendment because it is also the right public policy and because it is the right public policy for Maryland.

I am absolutely opposed to a new LNG facility in Sparrows Point, MD. As the senior Senator from Maryland, I will do all I can to protect the people of Baltimore and to protect the Port of Baltimore. I oppose this LNG facility because of my fears and frustrations. I worry about a terrorist attack. I worry about an accident with ghoulish consequences. This is a national security issue and a community security issue, not just an energy or a budget issue.

These concerns are not mine alone. According to a GAO report, scientists and engineers have raised enormous concern about the potential hazard of an accident or an attack on LNG facilities. GAO says we don't know about the impact of an LNG accident on public safety. We are talking about possible injury and death. How can anyone make a decision on LNG without knowing the decision on public safety?

This is why I support this amendment. This amendment gives States and communities a stronger voice by making sure the Army Corps of Engineers gets the approval of the affected State before giving permits for construction for an LNG facility. That means the Governor can say: ''Hold on a minute; this is not good for my State,'' or, ''Hold on a minute; it is good for my State.''

We cannot let a Federal agency rubberstamp plans for an LNG facility. I am committed to promoting America's energy independence, but it must not compromise our national security or our neighborhood security. I want to make sure we know the consequence of what happens when an LNG facility comes to a geographic area. What can be done and should be done to review and control the plants, the docks, the ships, the crews?

I do not want permits issued and foreign-flagged tankers coming to our ports until we know key answers. I do not want permits authored by Federal agencies when our States are adamantly opposed and they are not involved in the decision making. Many States will welcome it. Some States will raise questions as we have.

It is my responsibility as a Senator to make sure we ask the right questions to protect the American people. But, most of all, we want to give the people most affected something to say.

We worry about this second LNG facility in Sparrows Point. It is 50 miles up the Chesapeake Bay. These tankers will have to pass under the Bay Bridge. My Governor is worried about the impact on the Port of Baltimore, and the people are worried about the impact on the community.

My colleague says we have another facility, and it was in the right place. Well, I am not sure it was in the right place. They built this LNG facility 3 miles away from a nuclear powerplant—3 miles away from a nuclear powerplant—but it got closed in the 1980s when the market went down. But guess what. FERC issued a permit to reopen Cove Point in a different part of the State 1 month after 9/11, and they did not ask about security concerns. It took this Senator—and then my colleague, Senator Sarbanes, and I—demanding the Department of Homeland Security get involved, demanding the Nuclear Regulatory Commission to say: Is it OK to have an LNG facility down the street? I had to force the Coast Guard to look at it from a security standpoint rather than just an environmental standpoint.

I worry about the rockfish in the bay, but I worry about the people who eat the rockfish in the bay, meaning my constituents. We finally got the reviews we needed and we moved ahead with the permit. Let me tell you, I am on the side of safety, and I believe the safest thing is to make sure the Governor has a chance to comment with the Corps and to have an expressed impact on this permit facility.

I think the Senator's policy is a wise one; it is a prudent one. It is narrowly crafted. I ask my colleagues to adopt the amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. SALAZAR). Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time do we have in opposition?

The PRESIDING OFFICER. Fifteen minutes.

Mr. DOMENICI. Well, I want to take 5 minutes and yield the rest of it to Senator BINGAMAN. But I do want to make a point that this country is going to need large amounts of natural gas over the next 15, 20, 30 years. One source is probably going to be LNG, liquefied natural gas. It is terribly important for our country that we have this available when we need it, and if the price is right that we be able to locate sites that serve the United States.

Now, frankly, when we passed the Energy Policy Act, there were three or four things that were very much on the minds of those who wanted to deliver energy to the United States. I say to my new friend, the new Senator from Maryland, one of those at that particular time happened to be liquefied natural gas and those around the world who were trying to figure out whether the United States was going to be a place where they could sell liquefied natural gas or was it going to be a place where they could be held up forever.

We had to decide, as we worked through this very gigantic, gargantuan bill, what we were going to do about the concern on the part of the LNG market that if you left the law as it was, every State's Governor would have a veto power, and in some instances mayors would have veto power over an LNG site. We decided that would not work.

Now, we did not take away everyone's power. As a matter of fact, we encouraged cooperation. We encouraged the involvement of the States and the local governments with the LNG company, and we said only when you get to the point where you cannot reach agreement does the Federal Government step in, and then they backstop it and make a determination, through FERC, what is in the interest of our Nation, what is fair, and what is right.

Frankly, I don't know the facts about the Maryland plant, and I do not believe we need to know them on the floor of the Senate, nor do the Senators. What we need to know is we have a good law now on the books that

gives involvement and participation to everyone who ought to have that, but it does not give a Governor veto power over the site.

I correct any implications or direct statements by my good friend, the new Senator from Maryland. There is no question the amendment which they offer seeks veto power on the part of the Governor, gives the ultimate control to the Governor of the State as to what happens to an application. I do not believe that is what we wanted when we overwhelmingly—as the occupant of the chair has said so many times—in a bipartisan manner passed the Energy Policy Act.

I do not think we intended the first time we had a problem that somebody would come to the floor and change that wonderful law that was clear as could be, that when it came to locating LNG plants, we were not going to revert back to where we were and take the power away from FERC, the Federal agency in charge, and reinvest it in the Governor of the State.

We all know how this happens. People get disgruntled about a site, they go to the Governor, we immediately have a political tussle, and, all of a sudden, the Governor, talking to 500, 600, 700 people at a meeting, cannot get out of it, and that puts the Governor in the position where he has to say: I am not going to let that happen.

We saw that over the years. We saw it in other areas. We were bold enough in that Energy Act to change that situation, not only when it came to this kind of LNG siting but we also changed it—just a while ago we were talking about it as it pertained to the grid—the occupant of the chair might recall, where we said, if the grid gets clogged up, where you cannot get things done, we are going to actually put power in the Federal Government to use its public powers to take that gorging and dislodge it through eminent domain.

We did that, and we did other things, all in the interest of what we knew was true; that you ultimately had to let energy sources and energy grids and energy plants—you had to let the Federal Government have the last say, especially where arbitrariness on the part of the local unit was entering the picture and they wanted their way, their way under all circumstances.

I thank the Chair for being aware that I am over a moment or so, but I am now finished and have left most of the time for Senator BINGAMAN because I think he will do a good job, and maybe we will not have to have a vote. But if we do, I urge Senators not to change the law they just voted for 77 strong. Do not change it the first time we get an amendment of this nature coming before us. Leave it there for a try. Let it get tried. It is going to work. It is not going to hurt anybody.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I am sympathetic to the concerns of my colleagues from Maryland, but I also rise to oppose their amendment.

Just 2 years ago, the Senate approved the Energy Policy Act of 2005 which contains this comprehensive approach to the siting of liquefied natural gas receiving terminals. In that bill, Congress gave FERC, the Federal Energy Regulatory Commission, the jurisdiction to approve the siting of LNG terminals that are located on shore.

FERC acts as the lead agency for NEPA compliance and also as a safety regulator. The combined NEPA and permitting process set forth in that legislation, EPAct 2005, fully recognizes the role of other Federal agencies and the role of State agencies acting under delegated Federal authority.

A project developer is not able to move forward unless all relevant permits are granted. FERC has addressed State concerns related to other LNG facilities through conditions placed on its approval certificate and it has denied a certificate due to safety concerns. So it is clear FERC is taking this authority and responsibility very seriously.

Moreover, this EPAct 2005 legislation also mandated the consideration of State concerns in the NEPA prefiling process which occurs very early in the siting process. The Governor of the affected State has a direct role in that process.

The Senators from Maryland describe their amendment as ''not affecting FERC authority,'' but the amendment would essentially trump FERC's authority to site the entire facility.

As my colleagues know, LNG is imported. It is delivered to this country by ship. Therefore, an absolutely essential piece of the LNG receiving facility is a place for the ship to moor and to unload its cargo; that is, a dock that is constructed in the navigable waters of the United States. The Senators' amendment would allow a Governor of an affected State—and there is a very broad definition of which States are affected; in fact, any State within 15 miles of the terminal would be an affected State under their definition—it would allow the Governor of an affected State to block the Corps' permit, Army Corps of Engineers' permit. Obviously, there is no point in building a terminal if the ship is not permitted to get near it.

Finally, all of us are aware of the high price of natural gas and the pressure that puts on electricity prices, home heating prices, and on the viability of domestic industries that rely on natural gas. The Energy Information Administration estimates that by 2030 the United States will need almost 21 billion cubic feet per day of regasified LNG to meet a total estimated demand of about 81 billion cubic feet per day. This means LNG will account for over 25 percent of our natural gas supply. We need a workable process to assure we have adequate capacity to meet this need.

So, Mr. President, for those reasons, I urge my colleagues to vote ''no'' on this amendment.

I know the Senator from Maryland wishes, I assume, to use the remainder of his time or to conclude his argument. Following that, I will yield back the remaining time in opposition.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, let me thank both of my friends from New Mexico for their leadership on this bill. They have brought forward a good bill—a bill that I am proud to support and a bill that I hope will be strengthened by the amendment process and that will allow us to become energy independent because we need to for national security reasons, for economic reasons, and for environmental reasons.

But it is important that we get it right and that LNG facilities and terminals be placed in the right locations. My friend from New Mexico says this is a veto power by the State. It is not veto power by the State, no more so than you think FERC today has dictatorial powers on siting LNG plants. What my amendment is trying to do is to make sure our States work with the Federal Government and with our Federal agencies on appropriately siting LNG facilities. That is how federalism should work.

I have confidence in my Governor. He was elected by the people of Maryland. He is going to do the right thing. He makes tough decisions. We make tough decisions. But we should work together because that is the way we are going to be able to get the type of energy policy in this country that will achieve all three objectives, and that is security for energy independence, economic security, and environmental security for this country.

We need to engage our States. We should. This amendment does not change the law that was passed 2 years ago. FERC power remains the same. It amends the Rivers and Harbors Act dealing with the Army Corps of Engineers. That is what it should be; they should be consulting and working with the States before they issue their permits. This is a real problem. There are dozens of applications pending today. We will be able to site LNG plants, but let's site them in the right location. Let's not site them, as my friend from Rhode Island said, in a very sensitive part of Massachusetts or Rhode Island that literally would block recreational use and endanger communities. Let's not site them in a place right next to downtown Baltimore, which we know is going to present a risk—not just an accidental risk but a terrorist target. That is not where we should site LNG plants.

So we can get it right. We can get our energy policy right. I urge my colleagues to respect federalism, respect the fact that the States and the Federal Government should be working together on the energy policies of this

country so we truly become energy independent for the right reasons. I urge my colleagues to support the amendment.

Mr. President, I ask unanimous consent that Senator FEINSTEIN be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARDIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1520, AS MODIFIED

Mr. CARDIN. Mr. President, I ask unanimous consent that my amendment No. 1520 be made the pending amendment for the purposes of modifying it, and I send a modification to the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is so modified.

The amendment as modified is as follows:

At the end of subtitle D of title II, add the following:

SEC. 255. SUPPORT FOR ENERGY INDEPENDENCE OF THE UNITED STATES.

It is the policy of the United States to provide support for projects and activities to facilitate the energy independence of the United States so as to ensure that all but 10 percent of the energy needs of the United States are supplied by domestic energy sources.

SEC. 256. ENERGY POLICY COMMISSION.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established a commission, to be known as the ''National Commission on Energy Independence'' (referred to in this section as the ''Commission'').

(2) MEMBERSHIP.—The Commission shall be composed of 15 members, of whom—

(A) 3 shall be appointed by the President;

(B) 3 shall be appointed by the majority leader of the Senate;

(C) 3 shall be appointed by the minority leader of the Senate;

(D) 3 shall be appointed by the Speaker of the House of Representatives; and

(E) 3 shall be appointed by the minority leader of the House of Representatives.

(3) CO-CHAIRPERSONS.—

(A) IN GENERAL.—The President shall designate 2 co-chairpersons from among the members of the Commission appointed.

(B) POLITICAL AFFILIATION.—The co-chairpersons designated under subparagraph (A) shall not both be affiliated with the same political party.

(4) DEADLINE FOR APPOINTMENT.—Members of the Commission shall be appointed not later than 90 days after the date of enactment of this Act.

(5) TERM; VACANCIES.—

(A) TERM.—A member of the Commission shall be appointed for the life of the Commission.

(B) VACANCIES.—Any vacancy in the Commission—

(i) shall not affect the powers of the Commission; and

(ii) shall be filled in the same manner as the original appointment.

(b) PURPOSE.—The Commission shall conduct a comprehensive review of the energy policy of the United States by—

(1) reviewing relevant analyses of the current and long-term energy policy of, and conditions in, the United States;

(2) identifying problems that may threaten the achievement by the United States of long-term energy policy goals, including energy independence;

(3) analyzing potential solutions to problems that threaten the long-term ability of the United States to achieve those energy policy goals; and

(4) providing recommendations that will ensure, to the maximum extent practicable, that the energy policy goals of the United States are achieved.

(c) REPORT AND RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than December 31 of each of calendar years 2009, 2011, 2013, and 2015, the Commission shall submit to Congress and the President a report on the progress of United States in meeting the long-term energy policy goal of energy independence, including a detailed statement of the consensus findings, conclusions, and recommendations of the Commission.

(2) LEGISLATIVE LANGUAGE.—If a recommendation submitted under paragraph (1) involves legislative action, the report shall include proposed legislative language to carry out the action.

(d) COMMISSION PERSONNEL MATTERS.—

(1) STAFF AND DIRECTOR.—The Commission shall have a staff headed by an Executive Director.

(2) STAFF APPOINTMENT.—The Executive Director may appoint such personnel as the Executive Director and the Commission determine to be appropriate.

(3) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Executive Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(4) FEDERAL AGENCIES.—

(A) DETAIL OF GOVERNMENT EMPLOYEES.—

(i) IN GENERAL.—Upon the request of the Commission, the head of any Federal agency may detail, without reimbursement, any of the personnel of the Federal agency to the Commission to assist in carrying out the duties of the Commission.

(ii) NATURE OF DETAIL.—Any detail of a Federal employee under clause (i) shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(B) TECHNICAL ASSISTANCE.—Upon the request of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out the duties of the Commission.

(e) RESOURCES.—

(1) IN GENERAL.—The Commission shall have reasonable access to materials, resources, statistical data, and such other information from Executive agencies as the Commission determines to be necessary to carry out the duties of the Commission.

(2) FORM OF REQUESTS.—The co-chairpersons of the Commission shall make requests for access described in paragraph (1) in writing, as necessary.

Mr. CARDIN. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARDIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1519

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided on amendment No. 1519 offered by the Senator from Wisconsin.

The Senator from Wisconsin is recognized.

Mr. KOHL. Mr. President, I urge my colleagues to join me and our 13 cosponsors in voting in favor of our OPEC amendment. This amendment will declare price fixing by the OPEC oil cartel illegal under our antitrust laws and will give our Government a much needed weapon to combat the illegal actions of the OPEC cartel that harms consumers every time they visit the gas pump.

Contrary to the fears of the opponents of this amendment, this amendment will not harm either our foreign relations or foreign investment in the United States. Enforcement of NOPEC is reserved exclusively to the Justice Department. Should the administration deem it imprudent to take action against NOPEC, then it need not do so. It is long past time for us to have the ability, should our Government decide to do so, to take legal action to fight back against the OPEC conspiracy on behalf of American consumers.

So I urge my colleagues to join 345 House Members who last month voted in huge numbers in favor of NOPEC.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, since I don't see anyone else here, let me speak in opposition to the amendment.

This is one of these feel-good amendments where you can tell your constituents you struck a blow for freedom by outlawing OPEC.

The truth is, this is terrible precedent for us to say we are going to drag foreign governments into our court system and allow them to be sued for antitrust violations. We have always stopped short of doing this. The precedent would be terrible because obviously they would do the same thing with us. If we can bring foreign governments into our courts and subject them to penalties here, they can bring our Government into their courts and do the same thing. The courts have stayed away from these issues. These are diplomatic issues and political issues the courts should stay out of.

I urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the Kohl amendment.

Mr. BINGAMAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Connecticut (Mr. DODD), and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 23, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—70

Akaka	Feinstein	Nelson (NE)
Alexander	Graham	Obama
Baucus	Grassley	Pryor
Bayh	Harkin	Reed (RI)
Boxer	Hatch	Reid (NV)
Brown	Hutchison	Rockefeller
Bunning	Inouye	Salazar
Byrd	Isakson	Sanders
Cantwell	Kennedy	Schumer
Cardin	Kerry	Sessions
Carper	Klobuchar	Shelby
Casey	Kohl	Smith
Chambliss	Lautenberg	Snowe
Clinton	Leahy	Specter
Coleman	Levin	Stabenow
Collins	Lieberman	Stevens
Conrad	Lincoln	Tester
Corker	Martinez	Thune
Craig	McCaskill	Voinovich
Crapo	McConnell	Webb
Dorgan	Menendez	Whitehouse
Durbin	Mikulski	Wyden
Ensign	Murray	
Feingold	Nelson (FL)	

NAYS—23

Allard	Dole	Lott
Bennett	Domenici	Lugar
Bingaman	Enzi	Murkowski
Bond	Gregg	Roberts
Burr	Hagel	Sununu
Cochran	Inhofe	Vitter
Cornyn	Kyl	Warner
DeMint	Landrieu	

NOT VOTING—6

Biden	Coburn	Johnson
Brownback	Dodd	McCain

The amendment (No. 1519) was agreed to.

AMENDMENT NO. 1610

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided on amendment No. 1610, offered by the Senator from Maryland, Mr. CARDIN.

Who seeks time?

The Senator from Maryland.

Mr. CARDIN. Mr. President, this amendment would restore the authority of State and local governments to protect the environment and ensure public safety with respect to siting of liquefied natural gas, LNG terminals. This measure simply gives our States a say in whether these kinds of facilities, LNG facilities, should be built within their boundaries and, if so, their exact location.

The amendment does not eliminate FERC's siting authority. It doesn't amend the FERC statute at all. It amends the Army Corps' permitting statute and requires that the Army Corps work with our States in siting LNG facilities.

The amendment is common sense, one that engages our States as partners in serious decisionmaking authority as to where an LNG plant should be located. This bill is all about securing America's future through energy independence. We need to work with our States. It should be federalism. We should respect the authorities of our States and the sincerity of our Governors, and this bill restores that type of balance so that the States are involved in protecting the environment at the location of LNG facilities.

I urge my colleagues to support the amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, this amendment does not just allow the States to participate in the decision; this amendment would give the States the ability to veto the issuance of any permit to the Army Corps of Engineers to build a terminal and would, in that way, cut us off from needed access to international supplies of liquefied natural gas, LNG. We are going to be more and more dependent upon these liquefied natural gas supplies from overseas. We need to have these terminals constructed. We have a provision in existing law that gives us good processes for including the States, but it is important that we not change existing law.

Senator DOMENICI, did you wish to speak?

Mr. DOMENICI. Mr. President, I want to say that I wholeheartedly agree with Senator BINGAMAN. Just 2½ years ago, we decided we needed LNG so much in the future that we wanted an orderly process that did not give the Governors of each State the right to veto. This one is even broader. This gives Governors a 15-mile radius around the opportunity to veto.

I don't think we should change the law so quickly. I think we should leave it alone for a few years.

The PRESIDING OFFICER. The Senator's time has expired. The question is on agreeing to the amendment of the Senator from Maryland, Mr. CARDIN.

Mr. BINGAMAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Connecticut (Mr. DODD), and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER (Mr. MENENDEZ). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 37, nays 56, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—37

Akaka	Feinstein	Obama
Boxer	Harkin	Reed
Brown	Inouye	Sanders
Byrd	Kennedy	Schumer
Cantwell	Kerry	Sessions
Cardin	Lautenberg	Shelby
Carper	Leahy	Smith
Casey	Levin	Snowe
Clinton	Lieberman	Stabenow
Collins	Menendez	Whitehouse
Conrad	Mikulski	Wyden
Durbin	Murray	
Feingold	Nelson (FL)	

NAYS—56

Alexander	Dorgan	McCaskill
Allard	Ensign	McConnell
Baucus	Enzi	Murkowski
Bayh	Graham	Nelson (NE)
Bennett	Grassley	Pryor
Bingaman	Gregg	Reid
Bond	Hagel	Roberts
Bunning	Hatch	Rockefeller
Burr	Hutchison	Salazar
Chambliss	Inhofe	Specter
Cochran	Isakson	Stevens
Coleman	Klobuchar	Sununu
Corker	Kohl	Tester
Cornyn	Kyl	Thune
Craig	Landrieu	Vitter
Crapo	Lincoln	Voinovich
DeMint	Lott	Warner
Dole	Lugar	Webb
Domenici	Martinez	

NOT VOTING—6

Biden	Coburn	Johnson
Brownback	Dodd	McCain

The amendment (No. 1610) was rejected.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that Senator BAUCUS be recognized, following him, Senator ENZI, following him Senator GREGG.

Mr. GREGG. And Senator MURKOWSKI.

Mr. REID. Senator ENZI, how long do you wish to speak?

Mr. ENZI. Six to eight minutes.

Mr. REID. How long do you wish to speak, Senator GREGG?

Mr. GREGG. About 10 minutes.

Mr. REID. Senator MURKOWSKI, do you know?

Mr. GREGG. Senator MURKOWSKI for 5 minutes, I believe.

Ms. MURKOWSKI. Ten minutes.

Mr. REID. We will follow that by Senators MENENDEZ, SCHUMER, and BROWN, up to 10 minutes each. Is that OK? You have all that down? Thank you very much.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent the pending amendments be temporarily set aside so I can

offer an amendment incorporating the Finance Committee-reported energy tax package.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I object.

Mr. ENZI. I object.

The PRESIDING OFFICER. Without objection.

Mr. BAUCUS. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. Objection is heard.

Mr. BAUCUS. Mr. President, I don't know why there is objection. I note while there is objection, I will talk about it until we get the objection cleared. This is a Finance Committee amendment passed out of committee. It is very straightforward. We have a copy. The Senator from Wyoming objected?

Mr. ENZI. Mr. President, I think the objection was on the basis that we just got the file. We haven't looked at it at all.

Mr. BAUCUS. You will have time to look at it. We are not going to vote on it for a while. You will have lots of time to look at it. You will have time to look at it, believe me. This is a formality. It is good to bring it up now so we move the process along so the Senator and other Senators have time to look at it.

Mr. ENZI. I have no objection to someone talking on it, but I would like to take a look at it, whatever it is.

Mr. BAUCUS. I inform the Senator I am only asking the amendment be brought up. There will be plenty of time. In fact, the Senator could speak as long as he wants and other Senators could speak as long as they want as we look at the amendment.

The ordinary course is the amendment is brought up. This has been fully vetted in the Finance Committee. Senators on both sides of the aisle passed it by a vote of 15 to 5. Members on the Republican side voted for it in committee.

I hope we can at least get the amendment up, and then we can work the usual Senate will.

Mr. ENZI. Apparently, there are objections on our side. I have no objection to you going ahead and speaking to it, but they want to look at the amendment.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the pending amendments be temporarily laid aside so I may offer an amendment incorporating the Finance Committee-reported energy tax package.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1704

Mr. BAUCUS. Mr. President, I call up amendment No. 1704.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. GRASSLEY, Mr. BINGAMAN, Mrs. LINCOLN, Mr. WYDEN, Mr. SCHUMER, Ms. CANTWELL and Mr. SALAZAR, proposes an amendment numbered 1704 to amendment No. 1502.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. BAUCUS. Mr. President, I ask unanimous consent that Senators GRASSLEY, BINGAMAN, LINCOLN, WYDEN, SCHUMER, CANTWELL, and SALAZAR be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I have a long statement here which I am not going to read. Essentially this is the Finance Committee amendment. It goes a long way to help create incentives for renewables and for carbon sequestration, which is so important. It is a $20-billion-plus amendment over 10 years. It is fully offset. It is all paid for. It passed out of the Finance Committee by a vote of 15 to 5 earlier today. We spent a lot of time on this amendment and I think it is one of which the Senate can be very proud.

Basically, we are building on the strong foundation we already have with respect to tax incentives in our country. We continue our commitment to clean energy and renewables. We extend existing tax incentives for solar power, wind power, fuel cells, and energy-efficient homes and buildings. We create a tax incentive for transmission projects related to renewable energy projects and provide more than $3.6 billion over 10 years for renewable energy bonds. I might say this will benefit all of the States and also is of particular interest to my home State of Montana, and I know also to the Senator from Iowa, Senator GRASSLEY.

But we are going further than all that. We are also trying to extend the frontier in three areas that are critical to our Nation's energy future. One is cellulosic ethanol. We give significant incentives for cellulosic ethanol development; hybrid cars, significant incentives for the purchase of hybrid cars as well as plug-ins for hybrids; and third, carbon sequestration.

We propose a $1.11 per gallon tax credit for up to 60 million gallons of cellulosic fuel produced from sawgrass, agricultural wastes, and other biomass.

Hybrid cars provide an opportunity to make transportation cleaner—high-mileage cars with almost no emissions. I think it is worth exploring. The amendment calls for a new credit for plug-in vehicles for $2,500 to $7,500.

We are also trying to take advantage of the vast reserves of coal we have in our country. We clearly also have great concerns about global warming. I think it is imperative that we use our coal to help meet our energy needs, but we also have to prevent carbon dioxide from escaping into the atmosphere.

There are various provisions here with respect to carbon sequestration. It depends upon whether it is known as a clean coal facility, but we use tax credits provided in this mark, which must capture and sequester at least 65 percent of its carbon dioxide emissions. That is with respect to power that is used to generate electricity. The utility industry tells us we can't go higher than 65 percent sequestration or captured sequestration for the utility industry. But we are going higher in other areas, and one is the coal-to-liquids sequestration. We extend the current 50-cent rate for coal-to-liquids to the year 2012. We also provide for a 75-percent capture of carbon for coal to liquids. This provision generated some controversy in the committee—some wanted it much higher, some wanted it lower. We felt that 72 percent is a pretty good compromise and a good place to begin.

I will also add that we provide 50 percent bonus depreciation for new dedicated pipelines that will be used to transport carbon dioxide from an industrial source to a geological formation for permanent disposal.

There are many other provisions in this amendment which I will not mention, except to say that this is a very great addition to the underlying package. We are turning the corner here. We are enacting legislation which will help move America away from the past and more toward the future. The future is renewable energies, alternative energies. It is conservation provisions which we also have in this bill. It is utilizing our coal reserves in the same way; that is, making sure the carbon is sufficiently captured. It is all paid for, and it is paid for by closing some loopholes in the coal and gas industry and also by repealing the reduction for section 199 for the major oil companies. This applies only to the five majors.

We also propose a tax on gulf oil production. Some will say: Gee, aren't we discouraging domestic production by doing that in America with those provisions? But I must point out that since section 199 was enacted several years ago, the actual domestic production in the United States has declined. A few years ago when that provision was enacted, the price of gasoline was much lower than it is now. It is much higher today. In addition to that, the projected profits for the oil and gas industry for the next 10 years are projected to be $1 trillion. If you look at the profits, if you look at how much gasoline prices have risen, and if you look at the decline in domestic production in this country over the last several years, even with those very high profits, it is pretty clear this offset will

not in any way diminish our prospects of domestic production and will not cause gasoline prices to increase. In fact, there is a study by the Joint Tax Committee which makes that very point; namely, since these provisions were put into effect a couple or 3 years ago, domestic production has not increased. It has not helped increase domestic production in the United States. Actually, domestic production has decreased.

So we feel this is a good package. It is paid for properly. It passed the committee by a vote of 15 to 5. I recommend this Finance Committee package to the full Senate. We will work our will on it over the next several days, but I think it is an excellent start.

I yield the floor.

The PRESIDING OFFICER. There is a previous order.

Mr. BINGAMAN. Mr. President, who is the next person to speak?

The PRESIDING OFFICER. The Senator from Wyoming, Mr. ENZI.

Mr. BINGAMAN. I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 8 minutes.

GRAND TETON NATIONAL PARK EXTENSION ACT OF 2007

Mr. ENZI. Mr. President, it was just a few days ago when we heard the news that we had lost our dear friend and colleague, Senator Craig Thomas. We lowered our flags and joined together as a family to say goodbye to someone who fought for what he believed in and worked to the end to make Wyoming and the West better places to live.

Craig is now gone, but the work he began lives on. That is why I am pleased to offer an amendment to S. 277, the Grand Teton National Park Extension Act of 2007. My amendment builds on the work begun by Craig and the efforts of Chairman BINGAMAN and Ranking Member DOMENICI who worked so hard to shepherd this bill through the legislative process. In addition, I also thank Majority Leader REID and Minority Leader MCCONNELL for bringing this bill to the floor so we can make one of Craig's legislative goals a reality.

It is no surprise that Craig worked so hard to develop, draft, and introduce this legislation. No one understood the needs of Wyoming and the West better than he did. Craig was a cowboy from the top of his hat to the tip of his boots. There was nothing he enjoyed more than riding a horse through our national forests and spending time in the great outdoors.

Craig's love for the wide open spaces of our State led him to introduce the Grand Teton National Park Extension Act of 2007. When it is signed into law, it will allow the Secretary of the Interior to accept the donation of approximately 50 acres of private land that will be added to Grand Teton National Park. In addition to Craig, we have the Halpin family to thank for their generosity. It will truly be a gift enjoyed by the people of Wyoming and the West, and the whole country, by all who come to visit our national parks every year.

When that land is added to Grand Teton National Park, it will have another little addition to it. That addition is to rename the visitors center the Craig Thomas Discovery and Visitor Center. It will provide the people with a place to stop and visit during their trips to Grand Teton where they can learn about the history of the park and the life of Craig Thomas. I cannot think of a better way to remember Craig's life than to share it with all who benefitted from his many years of hard work and public service.

Craig dedicated his life to protecting and preserving our State's natural resources, especially our parks. He was a tireless and true advocate for those important and precious facilities, and he fought for their protection when he served as chairman and later as ranking member of the National Park Subcommittee of the Committee on Energy and Natural Resources.

Craig had a proud history on the committee and in the Senate as he constantly and consistently advocated for the best administration and management of our park system. He authored legislation that provided critical funding and mandated management reforms that were necessary to keep our parks pristine and ensure they would be available for future generations to enjoy. He worked with all of his colleagues, regardless of their party affiliation, to increase funding for our parks so they could better deal with the maintenance backlog that exists. Now that he is gone, our parks have lost one of their best friends.

Renaming the visitors center will ensure Craig's legacy will continue and never be forgotten. As noted in a letter by the Grand Teton National Park Foundation:

> Senator Thomas championed this project since 1997. His leadership in securing an $8 million appropriation inspired the Foundation to raise $13.6 million in private funds for the project.

For his efforts on this and so many issues of importance to our national park system, the Grand Teton National Park Foundation supports the naming of the center after Senator Thomas.

I ask unanimous consent that a copy of their letter of support be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRAND TETON NATIONAL
PARK FOUNDATION,
Moose, WY, June 12, 2007.

Hon. MICHAEL B. ENZI,
Senate Russell Office Building,
Washington, DC.

DEAR SENATOR ENZI: On behalf of the Board of the Grand Teton National Park Foundation I am writing to endorse the idea of naming the new Visitor Center in Grand Teton National Park after the late Senator Craig Thomas.

Senator Thomas loved the national parks and was a tireless advocate for them. The beautiful Grand Teton Discovery and Visitor Center which will open this summer is a model public/private partnership. Senator Thomas championed this project since 1997. His leadership in securing an $8 million appropriation inspired the Foundation to raise $13.6 million in private funds for the project.

The ribbon cutting on August 11th will be a special day for everyone who has been involved with this project. It will also be a very sad day because Senator Thomas will not be there with us to celebrate the culmination of years of work.

Feel free to contact me if you require any additional information.

Sincerely,

LESLIE MATTSON-EMERSON,
Executive Director.

Mr. ENZI. Mr. President, the ribbon-cutting ceremony for the newly constructed Grand Teton Visitors Center is August 11, 2007. It will be a day that will be long remembered by all who come to honor the memory of one of the park's greatest champions. By passing this legislation, we are making that day possible and ensuring that those who attend that special ceremony will be the first to enjoy all the Craig Thomas Discovery and Visitor Center will have to offer. This is an honor which I know would have pleased Craig and made him very proud. I can also see him riding tall in the saddle of a horse, taking it all in under the brim of his favorite cowboy hat.

Naming the visitors center for Craig Thomas will also mean a great deal to everyone who knew and loved him. It will be a tribute to a special American that will last for a long time to come. Many years from today, when people come to the park and stop by the visitors center that bears his name, they will know that Craig Thomas was so many things in life—a marine, a Senator, a rancher, and a dedicated father and husband. But most of all, they will know Craig loved Wyoming and the West and fought with everything he had to maintain our precious resources.

I always said God saved some of his best handiwork for Wyoming. We are fortunate that he also gave us the best champion to fight to protect and preserve it all.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration Calendar No. 41, S. 277.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

> A bill (S. 277) to modify the boundaries of Grand Teton National Park to include certain land within the GT Park Subdivision, and other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. ENZI. Mr. President, I ask unanimous consent that the Enzi amendment at the desk be agreed to; that the bill, as amended, be read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1709) was agreed to, as follows:

(Purpose: To designate the Grand Teton Discovery and Visitor Center as the ''Craig Thomas Discovery and Visitor Center'')

Strike section 4 and insert the following:

SEC. 4. CRAIG THOMAS DISCOVERY AND VISITOR CENTER.

(a) FINDINGS.—Congress finds that—

(1) Craig Thomas was raised on a ranch just outside of Cody, Wyoming, near Yellowstone National Park and Grand Teton National Park, where he—

(A) began a lifelong association with those parks; and

(B) developed a deep and abiding dedication to the values of the public land of the United States;

(2) during his 18-year tenure in Congress, including service in both the Senate and the House of Representatives, Craig Thomas forged a distinguished legislative record on issues as diverse as public land management, agriculture, fiscal responsibility, and rural health care;

(3) as Chairman and Ranking Member of the National Parks Subcommittee of the Committee on Energy and Natural Resources of the Senate and a frequent visitor to many units of the National Park System, including Yellowstone National Park and Grand Teton National Park, Craig Thomas was a strong proponent for ensuring that people of all ages and abilities had a wide range of opportunities to learn more about the natural and cultural heritage of the United States;

(4) Craig Thomas authored legislation to provide critical funding and management reforms to protect units of the National Park System into the 21st century, ensuring quality visits to units of the National Park System and the protection of natural and cultural resources;

(5) Craig Thomas strongly supported public-private partnerships and collaboration between the National Park Service and other organizations that foster new opportunities for providing visitor services while encouraging greater citizen involvement in the stewardship of units of the National Park System;

(6) Craig Thomas was instrumental in obtaining the Federal share for a public-private partnership with the Grand Teton National Park Foundation and the Grand Teton Natural History Association to construct a new discovery and visitor center at Grand Teton National Park;

(7) on June 4, 2007, Craig Thomas passed away after battling cancer for 7 months;

(8) Craig Thomas is survived by his wife, Susan, and children, Patrick, Greg, Peter, and Lexie; and

(9) in memory of the distinguished career of service of Craig Thomas to the people of the United States, the dedication of Craig Thomas to units of the National Park System, generally, and to Grand Teton National Park, specifically, and the critical role of Craig Thomas in the new discovery and visitor center at Grand Teton National Park, the Grand Teton Discovery and Visitor Center should be designated as the ''Craig Thomas Discovery and Visitor Center''.

(b) THE CRAIG THOMAS DISCOVERY AND VISITOR CENTER.—

(1) DESIGNATION.—The Grand Teton Discovery and Visitor Center located in Moose, Wyoming, and scheduled for completion in August 2007 shall be known and designated as the ''Craig Thomas Discovery and Visitor Center''.

(2) REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Grand Teton Discovery and Visitor Center referred to in paragraph (1) shall be deemed to be a reference to the ''Craig Thomas Discovery and Visitor Center''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this Act.

The bill (S. 277), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Grand Teton National Park Extension Act of 2007''.

SEC. 2. DEFINITIONS.

In this Act:

(1) PARK.—The term ''Park'' means the Grand Teton National Park.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(3) SUBDIVISION.—The term ''Subdivision'' means the GT Park Subdivision, with an area of approximately 49.67 acres, as generally depicted on—

(A) the plat recorded in the Office of the Teton County Clerk and Recorder on December 16, 1997, numbered 918, entitled ''Final Plat GT Park Subdivision'', and dated June 18, 1997; and

(B) the map entitled ''2006 Proposed Grand Teton Boundary Adjustment'', numbered 136/80,198, and dated March 21, 2006, which shall be on file and available for inspection in appropriate offices of the National Park Service.

SEC. 3. ACQUISITION OF LAND.

(a) IN GENERAL.—The Secretary may accept from any willing donor the donation of any land or interest in land of the Subdivision.

(b) ADMINISTRATION.—On acquisition of land or an interest in land under subsection (a), the Secretary shall—

(1) include the land or interest in the boundaries of the Park; and

(2) administer the land or interest as part of the Park, in accordance with all applicable laws (including regulations).

(c) DEADLINE FOR ACQUISITION.—It is the intent of Congress that the acquisition of land or an interest in land under subsection (a) be completed not later than 1 year after the date of enactment of this Act.

(d) RESTRICTION ON TRANSFER.—The Secretary shall not donate, sell, exchange, or otherwise transfer any land acquired under this section without express authorization from Congress.

SEC. 4. CRAIG THOMAS DISCOVERY AND VISITOR CENTER.

(a) FINDINGS.—Congress finds that—

(1) Craig Thomas was raised on a ranch just outside of Cody, Wyoming, near Yellowstone National Park and Grand Teton National Park, where he—

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(3) as Chairman and Ranking Member of the National Parks Subcommittee of the Committee on Energy and Natural Resources of the Senate and a frequent visitor to many units of the National Park System, including Yellowstone National Park and Grand Teton National Park, Craig Thomas was a strong proponent for ensuring that people of all ages and abilities had a wide range of opportunities to learn more about the natural and cultural heritage of the United States;

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SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this Act.

Mr. ENZI. I yield the floor.

Mr. GREGG. Mr. President, I thank the Senator from Wyoming for bringing forward this bill on behalf of Senator Thomas, who was such a force in this Chamber and especially a force on behalf of his State. It is a very appropriate thing to do.

CREATING LONG-TERM ENERGY ALTERNATIVES FOR THE NATION ACT OF 2007—Continued

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire is recognized for 10 minutes.

Mr. GREGG. Mr. President, I rise to talk about an amendment I wish to offer—I will offer it later—relative to

the tax package that was just introduced relative to this Energy bill.

Today, for those of us who live on the east coast, we would like to be able to buy ethanol at a reasonable price. In fact, we would like to be able to buy ethanol at all. The problem is, for ethanol to be shipped to the east coast, it has to go through pipelines. Transportation by truck or tank car is not viable, and thus ethanol, because of its components, cannot be shipped and is not stable in going through pipelines. So the east coast really does not have too many options for purchasing ethanol.

One option is to buy it from the Caribbean countries that produce it or from Brazil. Unfortunately, there is a tariff in place on Brazilian ethanol which amounts to 54 cents a gallon. That is a tariff which those of us on the east coast are subjected to and the effect of which is the price of ethanol is arbitrarily overstated.

This tariff was put in place quite a while ago and was put in during a period when the production of ethanol was not commercially viable because the cost of oil was still very low and when corn production was not oriented toward ethanol production. So this tariff was put in purely as a protective tariff for the purpose of allowing the corn industry in the Midwest to be successful in developing ethanol—at least that is the representation.

However, that position no longer has viability. The simple fact is that the corn industry in the Midwest is doing extraordinarily well because not only is it still a major feedstock for most of the traditional animal use to which it is applied, but it is also being used aggressively for the production of ethanol. In fact, we are looking at about 7 billion gallons of ethanol being produced this year.

Under this bill, for the purpose of gasoline replacement, it will be required that we have 36 billion gallons produced by the year 2022. So we are putting in place mandates which will absolutely require an expansion in the use of ethanol of dramatic proportions, which we should, and which will therefore raise the ship of the production of ethanol by the use of corn in the Midwest or sugar beets in the Northern Plains States as a form of producing ethanol. Therefore, they should not be concerned about the threat or the potential threat or the alleged threat of having ethanol come into this country from other producers in the Western Hemisphere, such as Brazil, because that is not going to affect their price and it is not going to affect their production capability.

Secondly, we still have in place in this bill and under the agricultural bills which we passed in the Senate a $3 billion annual subsidy for corn production—a $3 billion annual subsidy. The irony is we are subsidizing a product which is now extraordinarily productive and which has great viability—corn production—and, in fact, the cost of which has gone up so much that we are hearing complaints from many of the various farm communities, such as cattle producers who need corn, because the price has gone up so much as a result of the demand for corn. But at the same time, we are making it virtually impossible, because of the protective attitude of the Midwest on the issue of corn production for ethanol, to bring into the Northeast and into the Eastern States ethanol at a viable price and at a competitive price.

Our goal basically as an economy should be to get ourselves off oil, to move away from oil, and to move to ethanol production, which is the most efficient and cost competitive.

So the Northeast and the Eastern States should be allowed to purchase ethanol from Brazil without this arbitrary tariff that was put in place many years ago and continues.

In addition, if you just want to look at it on the basis of purchasing an overseas product—and some will argue this is just going to underwrite the foreign production of an energy source, ethanol, in Brazil—you can make that argument, but as a practical matter, if you make that argument, you have to ask yourself, would you rather buy ethanol from Brazil or oil from Venezuela because essentially the choice is just about that stark. You can buy your ethanol from Brazil or you can buy Venezuelan oil.

By making Brazilian ethanol more competitive and taking off this arbitrary 54-cents-a-gallon increase, which people from the East have to pay, you will actually make ethanol a more viable product in the East and thus reduce our reliance, for example, on Venezuelan oil or, for that matter, Middle Eastern oil. I personally would rather be buying ethanol from a country such as Brazil than buying oil from the Middle East or from Venezuela.

So the arguments for eliminating this tariff are myriad. They are that we should be purchasing ethanol at the most competitive price, that the Northeast and the East cannot purchase Midwestern ethanol anyway at a competitive value because it cannot be shipped by pipeline because it is so combustible.

The original concept of protecting corn producers in the Midwest no longer has viability in light of the fact that we have mandated an ethanol usage in this country that is going to absorb just about every ounce of corn produced, and we see corn prices are already at extraordinarily high price and that has put a lot of pressure as a feedstock commodity on various other industries, such as cattle production; and that it makes no sense in light of the $3 billion subsidy which we already have in place for corn to require people in the Northeast—who are paying that subsidy, by the way, through their taxes—to also have to pay an inflated price for ethanol which is produced in Brazil. If we are going to choose to use overseas sources of energy, which we are going to have to on the east coast, at least for the foreseeable future, why wouldn't we choose ethanol produced in Brazil over oil produced in the Middle East or Venezuela?

In addition, there is another argument, which is that if the Midwest is so concerned about having this tariff in place, they seem to be cutting off their nose to spite their face because the practical matter is that the more ethanol that is used on the east coast where the population of this country is concentrated to a large degree, the more the east coast will become dependent on ethanol, and when we get over this hurdle of moving ethanol through pipelines or other ways of moving it from the Midwest to suppliers and producers, we will see there is a demand that has been created, and at that point we will have a competitive commodity, one presumes, with the Brazilian ethanol.

There is no logic to continuing this arbitrary tax on people from the Northeast and the East relative to the price on ethanol, a 54-cent-per-gallon tax. It should be repealed, and therefore I will be offering an amendment to repeal this tariff.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska is recognized for 5 minutes.

THIRTIETH ANNIVERSARY OF THE TRANS-ALASKA OIL PIPELINE

Ms. MURKOWSKI. Mr. President, I rise this evening to acknowledge the 30th anniversary of the first drop of oil passing through the Trans-Alaska Oil Pipeline. This is truly an engineering marvel which is a central component of the transportation of oil from the largest single domestic source in America's history—Prudhoe Bay—to the rest of the United States, where it powers industry and provides jobs to this day.

Alaska has been called a lot of different things, some not too complimentary, unfortunately. You may remember the term ''Seward's folly.'' This was after the United States approved the purchase of Alaska from Russia in 1867 which got the State of Alaska, the territory, for $7.2 million. ''Seward's folly'' was a reference to Secretary of State William Seward, who was an advocate for the purchase.

Alaskans themselves dubbed it ''Seward's icebox,'' reflecting the sentiment Americans had toward our supposedly barren, dark, ice-covered land. But we soon recognized there was far more than just dark, barren, empty land. It was not an icebox but instead a lush, resource-rich, and stunningly beautiful land.

Gold was discovered in the 1890s, and black gold, or oil, was discovered about 75 years later. While oil is often viewed in a negative context these days, the fact remains that this black gold has enabled America to grow into the economic power it is today.

Alaskan oil, quite honestly, could not have been found in a more inconvenient place. Prudhoe Bay, which is

the location of the massive 1968 discovery, contained oil in ground that was permanently frozen up to 1,000 feet deep in the northernmost section of the State with three mountain ranges between it and the nearest ice-free port.

Seven oil companies got together to discuss how they might move the oil to the lower 48 States. There were several options that were proposed at the time. One of them was a water route that would use large ice-breaking tankers—essentially plowing through the ice—to get the oil down to the lower 48 market. A second option was a water route using submarines. A combined land and water system with a Trans-Alaska Pipeline and shipments from a southern Alaskan port was the third option and the option that was considered to be most feasible for several different reasons from the technical, the economic, and the legal issues that surrounded it.

The third option, this Trans-Alaska Pipeline, raised so many concerns and so many problems that for many it seemed an impossible task. The southern two-thirds of the proposed route was the most seismically active area in North America. This was the location of the very famous 1964 earthquake centered out of Valdez. The southern portion also contains a very high avalanche threat. Permafrost, which is the permanently frozen ground, runs about half the length of that pipeline route. You will find permafrost in that area. These all presented an unprecedented engineering challenge. The pipe would have to span a distance greater than the distance between Oregon and Mexico or, to put it in perspective as to where we are here, it would be the equivalent distance of going from this Capitol in Washington, DC, all the way south to Orlando, FL. That is the distance our Trans-Alaska Pipeline covers today.

Also, keep in mind we are not only talking about an incredibly long 800-mile pipe, but it is a stretch of land that includes thousands of rivers, three mountain ranges, and we have air temperatures ranging from minus 80 degrees below in the wintertime to a positive 95 degrees in the summer. So the challenges that faced the Nation as they looked to this engineering feat were quite incredible.

There were also political obstacles that were pretty steep. Environmental concerns, which, quite honestly, mirror the modern-day debate over oil development in the Coastal Plain of the Arctic National Wildlife Refuge, resulted in a 50–50 Senate tie on the vote for the pipeline's approval. Vice President Spiro Agnew cast the tie-breaking affirmative vote in this Chamber about 34 years ago.

It took 38 months, billions of the final $8 billion pricetag, and 1,347 State and Federal permits later for the construction to begin on one of the most ambitious engineering endeavors in the history of the world. During construction, thousands of would-be job seekers flocked to Alaska, and those workers battled the cold in the winter that caused the equipment to freeze up, and in the summer they battled sunken bogs when digging the concrete supports that allow the pipeline to shift in order to deal with the temperature changes and the seismic activity. They solved problems such as installing the pipe in both Atigun Pass and Thompson Pass, incredibly steep terrain just outside the southern terminus in Valdez. The terrain is so steep there that workers had to be tethered to the peaks by cables to keep them from falling down the slopes.

Mr. President, I think I have probably used my 5 minutes. I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MURKOWSKI. I thank the Chair.

Along the way, those working on this pipeline made major engineering advances, learning how to insulate the pipe and how to keep the permafrost ground frozen so that the pipe didn't sink out of site. When the project was completed in 1977, 3 years after construction started, we had a new domestic supply of oil made available to the United States—the single largest domestic source it has ever had.

On average, the Trans-Alaska Pipeline—we call it TAPS—now sees just over 800,000 barrels of oil pass through it each day. This is 231,000 barrels per hour and 22,000 gallons per minute. So, in other words, in the time I have been standing to address you, Mr. President, it has transported about 100,000 gallons of crude.

At peak production, TAPS provided the United States with about 2 million barrels of oil a day, or 30 percent more than Saudi Arabia does today, and nearly as much oil as the entire Persian Gulf provides our country today. And Alaskan oil, unlike Middle Eastern oil, does not come from unstable regimes, does not hinder our foreign policy options by bonding us and our allies to such regimes, and is not at risk of being cut off due to instability. We have been a stable domestic supplier of the oil needs of the United States for over 30 years.

The pipeline has turned out to be a much better deal than originally anticipated. The dire predictions of environmental disaster have been proven false. There have been minor spills, we acknowledge, but the environment and the wildlife have been unaffected by the Trans-Alaska Pipeline. Our caribou numbers have actually grown along the pipeline area, with estimates of up to sixfold in terms of the herd. Moose and bear have not been affected, and little oil has been added to the environment. All land spills have been completely cleaned up.

Additionally, while Prudhoe Bay was originally forecast to contain 9 billion barrels of recoverable oil, we will actually recover twice that much, about 18 billion barrels, by the time that field is depleted.

We recognize the days of abundant Prudhoe Bay oil are dwindling. We have produced about 15 billion barrels of oil, leaving only about 3 billion barrels remaining to recover. Output has fallen by more than 7 percent a year recently. According to the Energy Information Administration, Prudhoe Bay production will be down to 270,000 barrels per day by 2030, a level so low that the pipeline likely will not be able to function in winter's cold and may become inoperable. That could ''shut-in'' billions of barrels of future heavy oil deposits in the Greater Prudhoe Bay area and perhaps hamper oil recoveries from elsewhere in northern Alaska and the OCS off the State's coast.

In the meantime, U.S. oil imports have grown to account for 58 percent of our current net oil consumption. Twenty years from now, that number is forecasted to climb to 68 percent.

So I ask my colleagues and the American people, as we remember today what Alaska and the Trans-Alaska Pipeline system has given to our country, to consider also what Alaska could provide for America's future. The decision truly lies in the hands of Congress.

Mr. President, I appreciate the time, and I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. BROWN. Mr. President, I ask unanimous consent to speak out of turn.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMPLOYEE FREE CHOICE ACT

Mr. BROWN. Mr. President, historians who take a clear-eyed look at the last 30 years will tell you, and in particular economists will tell you, productivity has been rising, our economy has been expanding, and the workers responsible for our Nation's prosperity have not reaped anywhere near their share of the benefits which they have earned.

In 2005, the real median household income in America was down almost 3 percent from the median income in 2000. That is understanding that productivity has sharply increased among American workers. In Ohio, median income was down almost 10 percent. Meanwhile, the average CEO makes 411 times more than the average worker. As recently as 1990, the average CEO made 107 times more; so from 107 times more than the average worker in 1990 to now, 411 times more than the average worker.

Let me explain it another way. In the Agriculture Committee a couple of months ago, a young woman in her mid-thirties, with a 9-year-old son, came and testified about food stamps. The average food stamp beneficiary in our country gets about $1 per meal per person. She and her son got about $6 a day for food stamps. She works full time at a $9-an-hour job. She has no health care benefits. She gets a food stamp benefit. She is president of the local PTA at her son's school. She volunteers to teach Sunday school. And

she is active in the Cub Scouts for her son. She works, as I said, full time, making $9 an hour, and gets a small food stamp benefit.

She says at the beginning of the month she serves her son porkchops a couple of times, and as the month goes on she takes him to a fast food restaurant once or twice, but by the last couple of days of the month she sits at the kitchen table with her son and doesn't eat. Her son asks her what is wrong, and she says she's just not feeling well. She simply runs out of money at the end of the month. This is somebody playing by the rules.

Later in the day, on the Banking Committee, a committee on which I sit with the Presiding Officer from New Jersey, Secretary Paulson was testifying, the Secretary of the Treasury, and I told him the story of this lady from Middletown, OH.

He said: Senator, you have to understand we have had 2½, 3 percent economic growth in the last year. Things in our country are going well.

Yes, things are going well in terms of profits for corporations. Things are going well in terms of top executives. But too often they really aren't. Just look at this chart from 1946 to 1973. Economic opportunities for poor and working families grew. The incomes of the country's workers are divided. The lowest 20 percent, second lowest, middle, and then the top 20, top 40 percent, and the top 20 percent here. Families who worked hard and played by the rules had a real chance of getting ahead. You can see those from 1947 to 1973, the lowest 20 percent of our wage earners had the highest growth in income; those who made the most had the lowest. So we are seeing all boats rise—boats rising a little faster for those in the lowest incomes.

Beginning in about 1973 and through to 2000, workers at the bottom and in the middle began to share less and less of the wealth they created. Even though their productivity was going up, their wealth didn't, their wages didn't. Economic growth flattened out for those same families. You can see there is still economic growth at the lowest 20, 40, 60 percent, but the fastest growth in incomes was in the top 20 percent. That was in 2000.

As the economic pie got bigger, the slice for most Americans got smaller. Here you can see the most devastating news of all in the last 4, 5, 6 years. The only people who had economic growth in this country were the top 1 percent. These are the five quintiles. The top 1 percent are the only ones who had economic growth, and those at the bottom fell the furthest and further behind.

Historians will also say that in 2006 the middle class spoke up and sent a message to Congress demanding change. This Congress raised the minimum wage for the first time in a decade. This Congress is fighting for fair trade like never before. And I speak today, Mr. President, in support of the Employee Free Choice Act, which goes to the heart of the plight of working families to reap the benefits of the productivity they created, to provide a home and health care and pensions for themselves and a college education for their kids.

The Employee Free Choice Act is a historic step for working families. It would give workers the right to organize so they can fight for fair wages and decent benefits. The efforts of labor organizers more than 100 years ago finally led to the progress made seven decades ago with the signing of the Wagner Act. The rights that became law then ensured fair pay and decent working conditions.

But more and more employers chose to flout the law by intimidating workers and suppressing union activities. All across Ohio, I talk with workers who have tried to form a union and who share with me the tactics taken by some employers—not all but some employers—to prevent workers from organizing.

I talked with Bill Lawthorn from Macomb, OH. Bill and his coworkers wanted a union so workers would be treated with the respect and dignity all laborers deserve. They hoped with the union they would get fair and decent wages, a decent retirement plan, and decent health care benefits. According to Bill, the company responded with threats, with intimidation, and harassment.

Bill said the company threatened to fire him even if the campaign for the union failed. The union lost the election, and the day after, Bill, in fact, was fired. Since then, various labor boards have held the company's actions were illegal. Bill has not been reinstated, though, or seen 1 cent of backpay, even though his firing was illegal. That is why we need the Employee Free Choice Act.

Despite the struggle, despite doing odd jobs to pay the bills and relying on friends, family, and neighbors, Bill says, if he had the chance to do it all over again, he would do everything exactly the same because he knew he was right. It was the right thing to do, he said, and the Employee Free Choice Act is the right thing to do.

In 2005 alone, 31,000 employees were awarded backpay by a very conservative pro-business National Labor Relations Board due to retaliatory firings and unfair labor practices. I repeat, 31,000 employees were given backpay because, according to the National Labor Relations Board, they were fired illegally and unfairly.

Many companies decide to fire union supporters. Even if employees later successfully prove their case, the penalties all too often are an insufficient deterrent. These practices must end. The Employee Free Choice Act is the first step.

For the first time in our history, our sons and daughters do not have the opportunities their moms and dads had. A son, in 1994, earned 5 percent higher wages than his dad did in 1964. You can see how wages went up in that generation. But in 2004, a son's wages were down 12 percent from what his father made in 1974. You can see, too many kids are pessimistic about their futures.

We cannot continue this course. Unions are an agent for change. History will show that this Congress responded to the ever-increasing gap between the haves and have-nots. Fair trade, fair wages and benefits, the right to join a union—all three are basic to a society where work is rewarded and worker intimidation is not tolerated. Majority Leader REID is committed to moving forward on fair trade issues, on fair wages and fair benefits issues, as we already have, and equally importantly, the right to join a union.

The Employee Free Choice Act is a major step for working families. I urge my colleagues to support it.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, I first would like to express my appreciation to the distinguished Senator from Ohio for his advocacy for better trade policy for our country. I also appreciate his graphic illustration of what is happening in our country now, when sons are making less than their fathers.

It is difficult to comprehend, but that is the position in which we find ourselves, so we need a better trade policy, and we certainly need to pass the card check and Employees Free Choice Act.

I appreciate the statement of the Senator from Ohio and his constant advocacy for a better trade policy.

Mr. BYRD. Mr. President, today I voted in support of the NOPEC amendment to H.R. 6, which was offered by my colleague, Senator HERBERT KOHL. The amendment seeks to prevent OPEC nations from continuing to conspire to limit the supply of oil and to drive up America's already exorbitant energy costs. While I recognize that this is not a perfect piece of legislation, and that it may require the addition of certain clarifying provisions to ascertain its applicability in particular circumstances, I believe that it is a fine first step toward finally holding OPEC accountable for its actions. The time is long overdue for America's working families to send OPEC the message that West Virginians in particular will no longer be content to sit quietly by the side of the road, watching OPEC drive our gas and home heating prices to ever higher levels. This amendment is meant to send a signal—a signal to OPEC nations that the American people are not going to take it anymore. We will no longer be held hostage to OPEC's self-serving energy policies, which line their pockets, at the expense of our pocketbooks.

Mr. REID. Mr. President, I will be very brief, but I do want to say that I have been in the Senate now for a number of years, with Republican leaders and Democratic leaders, Democratic majorities and Republican majorities,

and never have we had a situation like we have had this past 6 months. We have to move to cloture on virtually everything—everything. I am going to file, now, tonight, four cloture motions. Never have we had to do this before.

It is common practice, and has been for all the time we have been a Senate, that, because you are dealing with the House, you are offering a substitute amendment that takes place with the Senate bill. Without going into a lot of detail, we rarely in the past had to file cloture on not only the substitute but also the underlying bill. We have to do it on virtually everything. We have never had to file cloture on every motion to proceed. That is what we are having to do now. It is a tremendous waste of the time of the Senate and of the country, but that is what we have to do. That is what I am going to do tonight.

It is going to become apparent, and is to some people, and some writing is taking place on it now, that we had to file so many cloture motions. It is because we have on almost every occasion had to file cloture on everything. It is a struggle to get legislation here to the floor. The minority's goal, the Republicans' No. 1 goal, I guess, at this time is to see that we don't get anything done. But in spite of that, we have been able to get a lot done. It has been difficult. It has been slogging. It has been slow.

We have a list of things we have been able to accomplish, with which I think the country should be very happy—minimum wage; we have been able to get disaster relief for farmers for the first time in 3 years; we passed a balanced budget amendment; we funded the Government with a continuing resolution. We have been able to do a number of things. There is no need to run through the entire list tonight other than to say it is too bad it has been so difficult to get those things done. We are very close to being able to finish the conference on the lobbying ethics reform; 9/11—I spoke to Senator LIEBERMAN earlier this evening, that is basically all done.

We have a difficult schedule. Why? Because of having to jump through every procedural hoop. It would be different if we were doing it because of people who didn't like immigration. I understand that. But we are doing it on everything we bring through the Senate.

CLOTURE MOTION

Mr. REID. I send a cloture motion to the desk.

The PRESIDING OFFICER (Mr. BROWN). The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Baucus tax amendment No. 1704 to H.R. 6, the Energy bill.

Max Baucus, Jay Rockefeller, Kent Conrad, Jeff Bingaman, John Kerry, Blanche L. Lincoln, Charles Schumer, Amy Klobuchar, Byron L. Dorgan, Ron Wyden, Maria Cantwell, Ken Salazar, Daniel K. Akaka, Daniel K. Inouye, Sheldon Whitehouse, Sherrod Brown, Harry Reid.

CLOTURE MOTION

Mr. REID. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Reid substitute amendment No. 1502 to Calendar No. 9, H.R. 6, the Energy bill.

Jeff Bingaman, Barbara Boxer, Patty Murray, John Kerry, Robert Menendez, Kent Conrad, Pat Leahy, Russell Feingold, Jack Reed, Christopher Dodd, Ken Salazar, Joe Biden, Frank R. Lautenberg, Daniel K. Inouye, Dianne Feinstein, Jay Rockefeller, Byron L. Dorgan.

Mr. REID. Mr. President, I ask unanimous consent that on the first cloture motion I filed, the mandatory quorum required under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, on the one I just filed, I ask unanimous consent that the mandatory quorum call required under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. REID. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 9, H.R. 6, Comprehensive Energy legislation.

Jeff Bingaman, Barbara Boxer, Patty Murray, John Kerry, Robert Menendez, Kent Conrad, Pat Leahy, Russell Feingold, Jack Reed, Christopher Dodd, Ken Salazar, Joe Biden, Frank R. Lautenberg, Daniel K. Inouye, Dianne Feinstein, Jay Rockefeller, Byron L. Dorgan.

Mr. REID. I ask unanimous consent that the mandatory quorum call required under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I was going to ask, on a number of these matters, unanimous consent that we move forward on them. I am not going to do that tonight. I only appeal to my friends, the Republicans, that they take a look at this and find out if it is absolutely necessary that we have these cloture votes. If we follow through on all these, we will have to work both this weekend and part of the next weekend. I hope we do not have to do that. If it were productive time, it would be one thing, but it is basically a waste of time.

FREE CHOICE ACT OF 2007—MOTION TO PROCEED

Mr. President, as I indicated, I was going to ask consent that the Senate proceed to consideration of Calendar No. 66, H.R. 800, the Free Choice Act of 2007, at a time to be determined by the majority leader following consultation with the Republican leader, but I am not going to do that.

CLOTURE MOTION

I now move to proceed to Calendar No. 66, S. 800, and send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 66, H.R. 800, the Free Choice Act of 2007.

Harry Reid, Ted Kennedy, Patty Murray, Bernard Sanders, Charles Schumer, Russell D. Feingold, Jack Reed, Barack Obama, Christopher Dodd, B.A. Mikulski, Pat Leahy, John Kerry, Robert Menendez, Claire McCaskill, Debbie Stabenow, Frank R. Lautenberg, Joe Biden, H.R. Clinton.

Mr. REID. I ask unanimous consent that the mandatory quorum required under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I now withdraw the motion.

The PRESIDING OFFICER. The motion is withdrawn.

The Senator from New Jersey is recognized.

Mr. MENENDEZ. Mr. President, am I next in the order?

The PRESIDING OFFICER. The Parliamentarian shows the Senator from New Jersey is to be recognized for up to 10 minutes and then the senior Senator from New York for up to 10 minutes.

Mr. MENENDEZ. Mr. President, I rise in strong support of the Employee Free Choice Act, of which I am proud to be an original cosponsor. This bill will level the playing field for workers seeking a voice at work and ensure they have the freedom to choose to join a union without coercion. I applaud Senator KENNEDY for his passion to move this bill forward and his relentless fight to improve and uphold the rights of workers.

Some may ask why this change is needed. They may think that in 2007, in this great democratic Nation, the right of an employee to seek representation in their workplace is alive and well. It should be. But the fact is, under current law, there are loopholes that have

been exploited, tactics that have been utilized, and actions taken against employees that have undermined the basic rights to which employees should be entitled.

We have a chart that shows the number of workers facing roadblocks trying to form a union. From start to finish, workers often face roadblock after roadblock in trying to seek union representation. Active union workers are fired; employers challenge and file appeals with the NLRB; and employers can simply stall the process and prevent it from moving forward.

We cannot ignore that there are some concerted and disturbing efforts that have tainted what should be a fair process. In that process, employees are fired in roughly one quarter of all private-sector organizing efforts. One in five workers who openly advocate for a union during an election campaign is fired.

In 2005 alone, some 30,000 workers experienced some form of discrimination for their participation in an organizing effort, resulting in lost wages or lost jobs. And, in an increasingly common trend, a vast majority of private employers are hiring union-busting consultants to fight unionization drives.

Clearly, existing law has not been enough to deter these types of tactics. The Employee Free Choice Act would close loopholes that have allowed employers to abuse the labor process without repercussion, and it would beef up the penalties for violation. Part of the problem is that under current law, there is not a strong enough incentive to follow the law.

While employers face stiff penalties for firing an employee based on race, gender, or disability, they face minimal penalties for firing an employee for union organizing.

In addition to enacting stronger penalties, this legislation would essentially enforce the steps that are supposed to take place, but often do not. A key part of this bill is that it will bring people to the table. It would ensure that when employees make their voices heard, the process moves forward. This is not forcing the hand of employers or employees, but it simply ensures that negotiations that are supposed to take place will take place.

Currently, employees can agree to join a union, but then the process is dragged out for months or years. This is not the spirit of the law. The Employee Free Choice Act will restore that spirit and uphold the meaning of the rights employees are supposed to have.

Improving the rights of workers is not just about fairness—it is also about equity. We know that workers who have a voice at work have better benefits and are able to provide a higher quality of life for their families. When nearly half of all Americans report having just ''enough to get by,'' it should be obvious that we need to take action to improve the economic standing of many of our workers.

The fact is, union membership means higher wages. According to the Department of Labor, union workers earn 30 percent higher weekly earnings than non-union workers—that is an average of $191 dollars per week, or more than $9,000 per year.

This is especially true for minorities. Latinos represented by unions typically earn median wages that are 46 percent higher than non-unionized Latinos. Women and African-Americans typically earn more than 30 percent higher median wages when they are unionized. By opening the door for more workers to seek union representation, we are helping ensure a pathway to fairness and hopefully, a pathway to a better quality of life.

Hardworking Americans deserve the chance that this bill provides. They deserve a strong law that will not allow employers to skirt its meaning; a law that will protect their decisions and ensure their voices will be heard.

That is why I support this bill. I believe a majority of voices should be upheld and I believe that our workplaces should be the very best they can be for our Nation's workers.

So I urge my colleagues to support the Employee Free Choice Act to protect and enforce the rights of any worker to freely join a union; free from intimidation, free from back-door tactics, free from fear of retribution. That is a right. That is a right that no worker in America should be denied.

I hope we will have the support of our colleagues when this comes to a vote on the floor.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The Senator from New York.

Mr. SCHUMER. Mr. President, I rise to first speak briefly about the Employee Free Choice Act, which is a very important piece of legislation. In fact, I introduced the original bill 4 years ago, worked hard to persuade many of my colleagues in the labor movement that this should be a top priority. I am so glad it is. I wish to salute the Senator from Massachusetts, Mr. KENNEDY, who has taken leadership on this issue. I am proud to be an original cosponsor of the bill.

Let me say this: Before the union movement in America, we had a few wealthy people and a lot of poor people and not much of a middle class. The great thing about the union movement is it created a middle class. Through struggles of laboring men and women from about 1870 to 1960, America became a country that was about 30 or 35 percent unionized.

What that meant was that wages rose, benefits rose, health care rose, and America was a prosperous country. Without a middle class, America would not have prospered. Then, in the late 1970s and early 1980s, many employers who wished to prevent unions or beat back unions found new ways to basically thwart what was the original thrust of the NLRB, which was to freely allow men and women to organize.

They hired lawyers. There are law firms with hundreds of people whose whole job is to prevent unionization. They basically succeeded. So as old industries closed, new industries that have as much reason to organize did not. Factories closed, office towers came about, but the union jobs did not follow from the factories to the office towers, with the exception of the public sector.

So now we are in this situation where fewer than 10 percent of American workers are organized. That hurts America. That means that men and women are not able to bargain collectively for rights. When you talk about declining wages of the middle class, when you talk about declining health benefits of the middle class, one—not the only but one of the reasons is we do not have unions.

Fewer and fewer Americans are organized. What the legislation does, what the Employee Free Choice Act does, is very simply restore the balance so it would be as easy to organize a factory in an office tower in 2007 as it was to organize a factory in the 1930s or 1940s or 1950s.

To show you the law works, Canada has basically the same economic structure as America. Canada is over 30 percent organized and America is 8 percent organized. One reason, they have a law such as the Employee Free Choice Act which allows a majority of employees to sign a card and then a union takes effect.

One of the great problems in the new America is income inequality. The top 1 percent of America represents 9 percent of the income in 1980, 16 percent in 2001, and now it is over 20 percent by the latest statistics. One of the many ways to overcome that inequality is to make it a little easier for people to organize.

So I think this legislation is extremely important to the basic fabric of America. If we want middle-class people to continue to have wage growth and benefit growth, unions are basically essential. So I am proud to support this legislation.

I understand there are employers who fight it tooth and nail. I have seen some of the ads. There is one today in one of the papers, particularly vicious, with a picture of a union leader and then of two dictators. I thought it was the kind of cheap shot we shouldn't see in this country.

The bottom line is simple. This legislation is vital to the health, economic health of working men and women and vital to keeping a middle class in America and not reverting to the old days, when you had very few wealthy people and a large number of struggling people. I support the legislation.

AMENDMENTS NOS. 1604, 1605, 1606, AND 1656 TO H.R. 6

Second, I would like to speak about amendments 1604, 1605, 1606, and 1656, amendments I will be offering to H.R. 6. I am not going to offer them tonight because none of my colleagues from

the opposing side are here. But they are important.

This is an energy bill that is vital to the country. We all want to curb the emission of CO_2, we want to curb our dependence on foreign oil, and we want to bring down the prices of gasoline, electricity, and all the other commodities that are petroleum dependent. There has been a great deal of talk and focus on alternative fuels. That is very good. But alternative fuels are the ''sizzle'' and conservation is the ''steak'' when it comes to reducing our dependence on oil and particularly foreign oil

It costs about a quarter as much to conserve as it does to create an alternative. So these amendments are very simple. I wish to thank the Finance Committee, first, for drafting a provision that will take billions of dollars in tax breaks and other benefits from the oil industry to create new, improved incentives to promote solar power and wind power and cellulosic ethanol.

But we also have to do energy efficiency. You do not have to be Thomas Edison to know that better energy efficiency is a win-win for American families. The Federal Government, thus far, has failed to take the lead in promoting commercializing or deploying energy efficiency technologies despite their cost-effectiveness and reliability.

Unlike the development of cutting new alternative and renewable fuel sources, we do not have to wait for new technologies to reap the benefits of energy efficiency in our homes. An excellent example is our largest State in population, California. Over the past 30 years, it has demonstrated significant efficiency gains that can be achieved through various energy efficiency measures, especially by increasing the efficiency of utilities, buildings, and appliances.

With these measures, California has generated more than 20 percent of energy savings since 1975. California's energy use, per capita, is similar to many countries in Europe because they did this 30 years ago. So if California can do it, so can America.

The four amendments I have mentioned, one on buildings, two on appliances, and one on electric generation, take the California legislation and basically apply it to America. I am going to discuss each.

The first amendment will create a national energy efficiency resource standard that would require utilities to achieve a small percentage of energy savings every year based on their annual sales.

Under my amendment, utilities can generate energy savings through a variety of ways, including helping their customers save energy through energy-efficient programs, improving energy efficiency in their own distribution systems or credit trading.

Energy savings requirements are phased in in small increments each year, which will give the utilities enough time to boost their energy savings program.

This is not a new idea. Many States already successfully have implemented EERS standards—not only California but Colorado, Connecticut, Hawaii, Minnesota, Nevada, Pennsylvania, Texas, Vermont, Virginia, and Washington.

Several States, including my State of New York, as well as New Jersey, Illinois, Massachusetts, and North Carolina, are actively working to implement the standard. Since the States are moving forward on this standard, it makes sense for Congress to create a national standard so all Americans can reap the benefit of increased energy savings.

According to the American Council for an Energy Efficient Economy, by 2020 a national EERS will reduce peak electric demand by 130,000 megawatts, saving enough to power 40 million households and reduce CO_2 emissions by more than 300 million metric tons. That is equivalent to taking 70 million cars off the road. Is that not incredible? By simply requiring our utilities to be efficient, it is equivalent to taking 70 million cars off the road. I hope we are going to do it. It would save U.S. consumers $26 billion from their utility bills. So this is a huge amendment that can do a great deal.

Now, my second amendment deals with buildings. Buildings account for 37 percent of the total energy used in the United States and two-thirds of the electricity. We all focus on cars. We are going to have a fight on CAFE standards. But buildings are as important as cars in producing efficiency. There is much less controversy and we can get it done more easily.

California has demonstrated that significant energy gains can be achieved through State building codes that are well designed and implemented. But despite the great savings made by California, many States have inadequate State building codes or none at all.

Again, the Federal Government has lagged behind the States in setting aggressive energy saving building codes. Under my amendment, commercial and residential building codes will be required to meet specific energy use targets. Both must be 30 percent more efficient by 2015 and 50 percent more efficient by 2022.

States will be deemed compliant once they adopt an acceptable code and as long as 90 percent of all new buildings comply with the States's code. Even if a State is not in compliance, each city that meets the criteria will be in compliance.

I wish to salute the mayor of New York, Michael Bloomberg, for taking the lead in imposing such standards on the city of New York.

Finally, my amendment will authorize funding for technical assistance, training, and to help States ensure they are in compliance with these energy-efficient targets. Again, according to the Alliance to Save Energy, this amendment—listen to this—could save our country 5 percent of its total energy use. That simple amendment, done now in California, could be done here—5 percent of our total energy use. It would save consumers $50 billion a year and reduce greenhouse gas emissions by an equivalent of taking another 70 million cars off the road. So it is obvious we should do these things.

Finally, the amendments on appliances. Again, California took the lead in improving energy efficiency standards for appliances. However, Federal law has restricted the ability of States in favor of lower Federal standards that, in many cases, have languished at DOE. For example, earlier this year, the GAO found that DOE had missed 34 out of—guess how many—34—34 out of 34—Congressionally set deadlines for reviewing and updating appliance and equipment standards.

GAO found that delays on four of the overdue standards will cost consumers $28 billion in energy savings by 2030. In addition, even when DOE finally gets around to setting the new standards, these standards fail to meet the very real energy needs of our country.

My amendment also fixes these problems in the bill. First, they will strengthen the process through which the States can apply to DOE to set higher standards for appliances that are currently regulated by the Federal Government; second, to restore authority for efficiency standards—that is the second amendment—to the States when DOE misses legal deadlines for setting or revising standards.

My amendment states that if DOE misses legal deadlines for setting up updated efficiency standards, States may create higher standards that allow them to address their energy needs more effectively.

By cutting our energy use through these energy efficiency measures, while also increasing the use of clean, renewable alternative fuels, we can make a huge difference and begin to address our energy problems, from ending our dependence on unstable foreign sources of oil to helping consumers lower their rising energy bills. I urge adoption of these four commonsense efficiency measures and look forward to working with the managers of the bill as we go forward.

MORNING BUSINESS

Mr. SCHUMER. I ask unanimous consent that there be a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRAQI HUMANITARIAN CRISIS

Mr. FEINGOLD. Mr. President, when the United States went to war with Iraq in 2003, a number of observers feared that a massive humanitarian crisis could occur if a smooth transition was not successful. Despite the quick collapse of Saddam Hussein's

dictatorship, the heroic performance of our servicemembers, and the predictions of some in the administration, the transition was far from smooth. Nonetheless, we did not initially see a humanitarian emergency in Iraq.

Four years later, however, this emergency is now unfolding in the cruelest of ways. With Iraq enmeshed in civil war, the relentless violence has displaced numerous civilians not only within Iraq but outside of it as well.

There are a range of possible factors behind the current situation: as the war is increasingly defined by its sectarian nature, the growing potential for neighborhoods to be ''cleansed'' by one ethnicity or another may accelerate displacement patterns; the overall increase in violence that occurred following the golden dome shrine bombing of February 2006 may have served as a catalyst that changed the face of the war and the tactics of those fighting it.

Regardless of the reasons, the results are clear—millions of Iraqis have been forced from their homes because of entrenched fear and rampant violence. Basic survival needs such as food, clean water, shelter, sanitation, and health care are in short supply. The government infrastructure has collapsed—if it ever truly existed—taking with it the communities it served.

The U.N. High Commission for Refugees estimates that there are nearly 2 million displaced people within Iraq and close to 2.5 million seeking refuge in neighboring countries. In total, that is almost 4.5 million people, Mr. President, 4.5 million individuals or approximately 13 percent of the total Iraqi population. Many of these individuals are from Iraq's shattered middle class and will be critical to rebuilding the country. But who can say where they will be when that time comes and whether they will be willing or able to contribute to that process.

The United States has admitted only a small number of Iraqi refugees since the beginning of the war. According to the State Department, there have been just 687 Iraqi refugees admitted to the United States since the war began in 2003. We have a particular responsibility to provide aid and safe haven for Iraqis whose lives are threatened because they worked for us.

Fortunately, many neighboring countries have been willing to step up to the plate and allow those Iraqis fleeing their homeland to seek temporary shelter despite the fact that many of their needs are straining the already weak and overburdened social services. Indeed, most of Iraq's neighbors are unable to provide adequate assistance to those living within their borders, citizens and refugees alike. The introduction of more than 2 million additional people into these already precarious environments could tip the balance in the wrong direction.

This humanitarian disaster is emblematic of this administration's poor planning when it comes to virtually every aspect of the war in Iraq. The administration's failure to respond adequately to the needs of these refugees and displaced people will have dramatic consequences for regional and global stability. We still have a chance to reverse course in Iraq, however, to refocus our strategy, and regain our credibility so we can work with the international community and resolve this crisis appropriately.

HONORING OUR ARMED FORCES

SPECIALIST ADAM HEROLD

Mr. HAGEL. Mr. President, I rise to express my sympathy over the loss of U.S. Army SPC Adam Herold of Omaha, NE. Specialist Herold was killed on June 10 when an improvised explosive device detonated near his patrol in Karbala, Iraq. He was 23 years old.

Specialist Herold was the youngest of three brothers in a close-knit Nebraska family. He attended Roncalli High School and would later join the Job Corps in Utah to learn a trade.

In 2005, Specialist Herold made the decision to join the Army. He saw service in the Army as a means to a college education. But he also came from a family with a strong tradition of service to the country. Both of his grandfathers served in World War II.

Specialist Herold had been serving in Iraq since October 2006 with Headquarters and Headquarters Company, 2nd Battalion, 377th Parachute Field Artillery Regiment, 25th Infantry Division, based at Ford Richardson, AK.

We are proud of Specialist Herold's service to our country, as well as the thousands of other brave Americans serving in Iraq.

He is survived by his parents Lance and Debbie Herold, and brothers Andy and Kyle, both of Omaha.

I ask my colleagues to join me and all Americans in honoring SPC Adam Herold.

TRAGEDY IN CHARLESTON, SOUTH CAROLINA

Mr. GRAHAM. Mr. President, on June 18, 2007, in the face of blazing fire, sacrifice and duty overcame fear and surrender. With great sadness and the utmost respect, Senator DEMINT and I mourn the tremendous loss of nine of our finest firefighters, as well as the immeasurable loss experienced by their families and loved ones. As the flames engulfed the building, the brave men and women of the Charleston County Fire Department rushed into the collapsing building as others were running out, fleeing for their lives. May this extraordinary courage and sacrifice forever reflect the spirit of South Carolina, as well as that of our great Nation.

We extend our sincerest condolences to their families, their colleagues, and their friends. You give your loved ones to us to serve and protect our communities, putting public service above personal comfort. Our gratitude is boundless and our respect infinitely deep. We grieve beside you, and we take pride in and are humbled by this ultimate display of service and valor. In the midst of grief and devastation, may you find comfort in knowing that the memory of your loved ones will be forever etched in the minds of South Carolinians as the true embodiment of an American hero.

The United States has not experienced such a devastating loss of firefighters since the horrific events on September 11, 2001. May the Charleston County Fire Department, led by Chief Rusty Thomas, as well as emergency personnel around the country, forever fill this massive void with the legacy left behind by these brave fallen firefighters. Let their legacy not be engulfed by flames and reduced to rubble but rather let it embolden and encourage others to serve in their honor and continue their mission to public service. There is no higher call than to serve, and to the fallen, their families, and those that will fill their shoes, we are forever indebted to you for your noble sacrifices.

ADDITIONAL STATEMENTS

RECOGNITION OF BILL SIMMONS

● Mrs. BOXER. Mr. President, I would like to take a moment to reflect on the work of Bill Simmons, the director of the Yuba County Office of Education's Regional Career Center, and recognize Mr. Simmons' 21 years with the Yuba County Office of Education and commend his more than five decades of service to his country and his community.

In 1954, Bill Simmons began his 24-year career with the U.S. Air Force. He retired in 1977 as a first sergeant for the 9th Field Maintenance Squadron at Beale Air Force Base in Marysville, CA. After his retirement from the U.S. Air Force, Mr. Simmons remained in Marysville and began a long career of service to his community.

Bill Simmons used the leadership skills he gained in the Air Force and began his career with Yuba County as a group counselor in the juvenile probation system. He remained committed to improving the community as he worked to help build the One-Stop Center, a invaluable resource for the region that is the service provider for the Federal Workforce Investment Act's One-Stop Center for Business and Workforce Development.

I had the pleasure of working with Bill when he served on the Yuba County board of supervisors from 1997 to 2005, and we continue to collaborate on issues affecting Beale Air Force Base through Mr. Simmons' role as a member of the Beale Military Liaison Committee. For the last three decades, Bill Simmons has been a forceful advocate

for Beale AFB, by both working to improve the on-base facilities and promoting the many values and strengths of Beale AFB throughout California and the country.

Bill Simmons has been a valuable local resource on education, military, and local issues affecting the entire Yuba-Sutter region, and I hope that he will remain active in his community beyond his retirement from the Yuba County Office of Education. I wish my friend the best as he embarks on this latest chapter of his distinguished career.●

2007 STANLEY CUP CHAMPIONS

● Mrs. BOXER. Mr. President, I ask my colleagues to join me in congratulating the 2006–2007 National Hockey League champions, the Anaheim Ducks. The Anaheim Ducks demonstrated remarkable skill, teamwork, and determination in becoming the first California hockey team to win the prestigious Stanley Cup.

The 2006 to 2007 season will be remembered as a truly landmark season for the Anaheim Ducks. During the course of the season, the Ducks played in the franchise's 1000th regular season game and recorded their 1000th point after a much-deserved 4 to 2 victory on March 11, 2007. The Ducks began their season in fine form as they set an NHL record by remaining undefeated in regulation play for the first 16 games of the season. The Ducks used a high-octane offense and a stout defense to achieve the first 100-point season and the first Pacific Division title in the franchise's history. Throughout the season, the Ducks were a model of hard work, dedication and consistency.

Under the leadership of a dedicated management and coaching staff and with contributions from an outstanding roster of seasoned veterans and promising young players, the Ducks defeated the Minnesota Wild, the Vancouver Canucks, and the Detroit Red Wings in their usual spirited fashion en route to winning the Western Conference title. In the finals, the Ducks triumphed over the Ottawa Senators in a fiercely contested series that ensured the oldest and most famous trophy in all of North American professional sports, the Stanley Cup, will finally make its way to California for the first time.

It is my pleasure to congratulate all the hard working members of the Ducks organization who worked tirelessly to bring so much joy and pride to the people of Orange County and to the State of California. Their successes are considerable, and I salute their accomplishments. As the Anaheim Ducks and their fans celebrate their first Stanley Cup victory, I congratulate them on a truly remarkable and memorable season and wish them more success in future seasons.●

125TH ANNIVERSARY OF LAMOURE

● Mr. DORGAN. Mr. President, it was 125 years ago that pioneers created the city of LaMoure, ND.

LaMoure and its surrounding territory got off to an unexpectedly strong start due to the work of a fellow named MAJ H.T. Elliott. He was employed by a real estate firm whose financial fortunes depended upon the prosperity and success of homesteaders and town builders in the LaMoure area.

To ensure that region boomed, Major Elliott was sent to the nearest railroad station to meet incoming emigrants. If they appeared to be bright, industrious, honest folks with adequate financial resources, Elliott directed them to the region around LaMoure. But if they were of a suspect type, Elliott sent them off in the opposite direction.

Elliott himself was the county's first citizen but had the misfortune to establish the town of Grand Rapids which immediately found itself in a fight with LaMoure over which should be the county seat. When Grand Rapids lost that election, LaMoure's citizens armed themselves and trooped across country in the dead of night to seize the governmental records.

They were met at Grand Rapids by barricaded doors and rifles bristling from the courthouse windows. But with the aid of a battering ram, they smashed their way in and the Grand Rapids defenders slipped away. LaMoure had its first triumph.

There have been many more since then—some headline making like State championship sports teams, installation of a Coast Guard radar site serving mariners and pilots all around the globe, a national award as an All-America City, home to U.S. Senator Milton Young.

But many more of its successes never garnered headlines. They were the quiet but meaningful stories of strong families, vibrant businesses, prosperous farms, good kids, and the warmth of citizens who cared about each other.

LaMoure is both a wellspring and a repository of what is best about America—old-fashioned values of honesty, decency, hard work, faith, and family. Its foundation is solid, and its people will continue to create a community where dreams are turned into reality.●

125TH ANNIVERSARY OF RUTLAND

● Mr. DORGAN. Mr. President, it was 125 years ago that pioneers in Dakota Territory created the community that is now Rutland, ND. Those pioneers included hopeful immigrants from Norway, Sweden, Germany, Ireland, Poland, England, and Scotland, seeking new homesteads on the unbroken prairie; hard-driving businessmen and railroad workers from the Eastern States finding opportunity on America's frontier; and the Wahpeton-Sisseton band of the Dakota people, adapting to changing times and preserving ancient traditions as their world changed around them.

These pioneers built a solid foundation of family, faith, and education for their community, establishing farm homes, churches, and schools first. When the Great Northern Railway built its line through the territory, the community was given its name in honor of Rutland, VT, the hometown of many of the pioneer railroaders. The green hills of the Coteau de Prairie south of the town, reminded them of their home in the Green Mountains.

In those early years, the pioneers of the Rutland community endured drought, harsh winters, and economic exploitation, but their faith, independent spirit, and cooperative attitude carried them through the tough times and made the good times better. It has been said that Rutland could be renamed Phoenix because, like that mythical bird, the city's business district has twice risen from the ashes of devastating fires to rebuild better and stronger each time. One of the business buildings destroyed by the second fire, back in 1941, was a unique combination of economic enterprises, perhaps a forerunner of today's megamalls. The second floor was a hotel, providing rest and refuge for weary travelers, while three businesses occupied the ground floor: In the front was a harness and shoe repair shop, keeping Rutland folks either afoot or on horseback, and they always knew which; at the center of the building was a cream station, where farm produce including chickens, eggs, cream, and butter was bought and sold; and at the rear of the building was a funeral parlor, which had a double life as an illicit gambling casino, when a paying customer was not laid out in somber repose. That building and those businesses went up in smoke many years ago, but this week, another new business, the Rutland General Store, has opened its doors on Rutland's Main Street, showing that the spirit of optimism that inspired our pioneer ancestors is still alive and thriving in the community they built. The optimism and patriotism of Rutland citizens is reflected in the fact that men and women from the community have served in the Nation's military service in every conflict from the Civil War to the current engagements in Iraq and Afghanistan.

Over the past 125 years, Rutland has been noted for many accomplishments: The home of one of North Dakota's outstanding amateur baseball teams, the Rutland Roosters; the Rutland Rockets and Sargent Central Cadets High School sports teams always tough and usually victorious; location of the Tewaukon National Wildlife Refuge, conserving and preserving our Nation's natural heritage; an award as a National Bicentennial Community in 1976; an award as a North Dakota Centennial Community in 1989; home to Obed Wyum, a national leader in the establishment of rural electric and rural telephone cooperatives; and making it

into the ''Guinness Book of World Records'' with the world's largest hamburger, a 3,591-pound whopper, as part of the community's centennial celebration in 1982.

But many more of Rutland's successes never garnered headlines. They were the quiet but meaningful stories of strong families, vibrant businesses, prosperous farms, good kids, and the warmth of citizens who cared about each other.

Rutland is both a wellspring and a repository of what is best about America—old-fashioned values of honesty, decency, hard work, faith, and family. Its foundation is solid, and its people will continue to create a community where dreams are turned into reality.●

FORT ABERCROMBIE

● Mr. DORGAN. Mr. President, one of North Dakota's oldest communities celebrates its anniversary this week. Abercrombie and the nearby fort after which it is named date their origins back 150 years.

Fort Abercrombie is famous for having been the site of one of the most prolonged battles in the American West between Native Americans and U.S. soldiers. Fresh from their triumphs in a Minnesota uprising, Dakota warriors quickly moved to secure their gains by attacking the last military post between the decimated, burning white settlements and the wide open Great Plains.

The defenders of the fort were in a desperate pinch. The fort had no protective palisade and little else in the way of defense, it was several hundred miles from the nearest help, and, worst of all, rifle ammunition was critically low.

For a month the soldiers, and the citizens who had rushed to the protection of the fort, held off Little Crow's warriors. What saved them was the discovery that the metal balls with which the fort's cannon shells were packed were identical to what their rifles required for ammunition.

Fort Abercrombie has a storied history. Military trails radiated out to Fort Wadsworth, Fort Ransom, and Fort Totten. It was here that wagon trains embarked for Montana's gold fields, that the 1870 peace treaty between 900 Dakota and Chippewa delegates was signed, that oxcart caravans from Canada to the Twin Cities overnighted.

Fort Abercrombie is quiet now but houses a handsome State park and historical center. The adjacent community, however, continues to hum. In 1936, an observer called it ''an enterprising, live, wide-awake community.'' That is still an honest description, especially this weekend.

A street dance, military ball, school reunion, parades, wagon train, history tours, and a multitude of other events will fill the days. Although I expect the activity will be as intensive as it was in 1862, it will not be as desperate. Instead, it will be a classic festival of small town America—one of remembrance and homecoming, of neighbors and family, of heritage and pride. I send its citizens birthday greetings and a salute for its proud and singular history.●

NATIONAL VETERANS WHEELCHAIR GAMES

● Mr. FEINGOLD. Mr. President, this week Wisconsin is honored to host more than 600 veterans and athletes for the National Veterans Wheelchair Games in Milwaukee. At the largest annual wheelchair sports event in the world, hundreds of veterans who made tremendous sacrifices for our Nation will demonstrate not only their remarkable athletic abilities but also their unmatched courage and determination in the face of adversity.

World-class wheelchair athletes and newly disabled veterans will join together in Milwaukee for 17 competitive events and 2 exhibition events. The National Veterans Wheelchair Games is a great sporting event, and it is also a chance for athletes to develop lasting friendships with other veterans who have faced and overcome similar obstacles.

I thank the Clement J. Zablocki VA Medical Center in Milwaukee and the Wisconsin Chapter of the Paralyzed Veterans of America for hosting the games, as well as the VA officials and volunteers who helped to make these games a reality. More than 3400 Wisconsinites are showing their support by volunteering during the games.

I encourage these athletes and their families to explore their unique and dynamic host city. I hope everyone has the opportunity to experience Milwaukee's wonderful lakefront and sample the outstanding food and drink that Milwaukee is known for.

I know Milwaukee will give a warm welcome to all the competitors and visitors who have come to the city for this week's games. Their competitive spirit and the incredible sacrifices they have made bravely serving our Nation are an inspiration to us all. I hope everyone enjoys what is sure to be an exciting and memorable week.●

HONORING THE LIFE OF JEFFREY ERLANGER

● Mr. FEINGOLD. Mr. President, today I pay tribute to the memory of Jeff Erlanger, an extraordinary person who was a prominent member of the Madison community, a family friend, and an inspiration to me and everyone lucky enough to know him.

To understand what a positive force Jeff was in people's lives, I will quote something he said in an ad he did for Wisconsin Public Television a few years ago: ''It doesn't matter what I can't do—what matters is what I can do.'' Those are words that everyone should live by, but Jeff, who was a quadriplegic, really did live by them. He never dwelled on the many challenges he faced; instead, he focused on helping others, making tremendous contributions of time and effort to a wide array of organizations.

He served on the Economic Development Commission, as chairman of the Commission on People with Disabilities, and as chairman of the board of the Community Living Alliance, as well as many other positions. Among his accomplishments was his successful push for the accessible taxicab service that exists in Madison today. He also ran for the Madison City Council in 2002. Jeff's commitment to public service says volumes about the kind of person he was and why his passing is such a loss for the Madison community.

Jeff used his personal experience to inspire others, visiting classrooms to talk about living with a disability, and appearing on ''Mr. Rogers' Neighborhood'' at the age of 10. He became good friends with Fred Rogers, speaking both at Rogers' induction to the Television Academy Hall of Fame and at a memorial service when Rogers passed away in 2003.

Throughout his adulthood, he continued to make life-changing connections with people he met. Incredibly, he saved the life of a Boston woman he was talking with online, calling both AOL and the Boston police after she told him she had cut her wrists but wouldn't tell him what her last name was or where she lived. They tracked the woman down and rushed her to an emergency room. It is just one amazing story from a truly amazing life.

I am proud to say that Jeff was an intern in my office. He was also a dear friend to members of my family. He meant so much to so many people, both those he knew, those he inspired through his appearances, and those he helped through his life of community service. I am deeply saddened by his passing, and my thoughts are with his parents, his family, and his friends. Jeff left behind a wonderful legacy, of hope, enthusiasm, and caring, and that is something everyone who knew him can cherish.●

TRIBUTE TO LIEUTENANT GENERAL EMERSON N. GARDNER JR.

● Ms. MIKULSKI. Mr. President, today I pay tribute to a marine officer from my home State of Maryland, LTG Emerson N. Gardner, Jr., now serving as the Deputy Commandant for Programs and Resources, Headquarters, United States Marine Corps, as he prepares to leave this position for one of even greater importance.

The position of Deputy Commandant for Programs and Resources is one of the most demanding and important jobs within Marine Corps Headquarters. For the past 2 years, as Deputy Commandant, Lieutenant General Gardner has been responsible for planning, programming, budgeting and executing total appropriations in excess of

$100 billion. He has led the effort to ensure that the Marine Corps had the resources they needed for success in the current conflict and prepared to answer the nation's call in the future.

While Lieutenant General Gardner is responsible for many critical issues, he has been a champion in protecting our forces deployed to Iraq and Afghanistan. He has been a particularly strong advocate for the mine resistant ambush protected family of vehicles, or MRAP. These vehicles have the possibility of drastically reducing American casualties caused by improvised explosive devices and Lieutenant General Gardner has been leading the effort to secure support for them. Lieutenant General Gardner has taken the time to educate, encourage, guide—and when necessary to cajole and prod—decisionmakers and action officers wherever necessary to accelerate the fielding of MRAP vehicles. Throughout this process, he has been everywhere and involved in every aspect of the MRAP program. So ardent has Lieutenant General Gardner been in support of this life saving program, that he has become known within Headquarters Marine Corps and throughout the Pentagon as ''Mr. MRAP.''

I know that a grateful nation shares my admiration for Lieutenant General Gardner an indomitable leader whose tireless efforts have directly contributed to the timely delivery of MRAP vehicles to theater. I am confident that my colleagues will join me in expressing the gratitude of the Senate, and bestowing upon him the unofficial title of ''Mr. MRAP.''●

MESSAGE FROM THE PRESIDENT

The following message from the President of the United States was transmitted to the Senate by one of his secretaries:

REPORT ON THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO THE ACCUMULATION OF A LARGE VOLUME OF WEAPONS-USABLE FISSILE MATERIAL IN THE TERRITORY OF THE RUSSIAN FEDERATION AS DECLARED IN EXECUTIVE ORDER 13159 OF JUNE 21, 2000—PM 17

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation is to continue beyond June 21, 2007.

It remains a major national security goal of the United States to ensure that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses, subject to transparency measures, and protected from diversion to activities of proliferation concern. The accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency declared with respect to the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation and maintain in force these emergency authorities to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *June 19, 2007.*

MESSAGE FROM THE HOUSE

At 2:33 p.m., a message from the House of Representatives, delivered by Ms. Brandon, one of its reading clerks, announced that the House has passed the act (S. 1532) to designate the facility of the United States Postal Service located at 127 East Locust Street in Fairbury, Illinois, as the ''Dr. Francis Townsend Post Office Building''.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 885. An act to support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

H.R. 2127. An act to designate the facility of the United States Postal Service located 408 West 6th Street in Chelsea, Oklahoma, as the ''Clem Rogers McSpadden Post Office Building''.

H.R. 2366. An act to reauthorize the veterans entrepreneurial development programs of the Small Business Administration, and for other purposes.

H.R. 2397. An act to reauthorize the women's entrepreneurial development programs of the Small Business Administration, and for other purposes.

H.R. 2563. An act to designate the facility of the United States Postal Service located at 309 East Linn Street in Marshalltown, Iowa, as the ''Major Scott Nisely Post Office''.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 80. Concurrent resolution calling on the Government of Uganda and the Lord's Resistance Army (LRA) to recommit to a political solution to the conflict in northern Uganda by engaging in good-faith negotiations, and urging immediate and substantial support for the ongoing peace process from the United States and the international community.

H. Con. Res. 148. Concurrent resolution recognizing the significance of National Caribbean-American Heritage Month.

H. Con. Res. 151. Concurrent resolution noting the disturbing pattern of killings of numerous independent journalists in Russia since 2000, and urging Russian President Vladimir Putin to authorize cooperation with outside investigators in solving those murders.

H. Con. Res. 155. Concurrent resolution recognizing the historical significance of Juneteenth Independence Day, and expressing the sense of Congress that history should be regarded as a means for understanding the past and more effectively facing the challenges of the future.

The message also announced that pursuant to 16 U.S.C. 431 note, and the order of the House of January 4, 2007, the Speaker appoints the following Members of the House of Representatives to the Dwight D. Eisenhower Memorial Commission: Mr. MOORE of Kansas; Mr. BOSWELL of Iowa; Mr. THORNBERRY of Texas; and Mr. MORAN of Kansas.

At 6:30 p.m., a message from the House of Representatives, delivered by Ms. Brandon, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 57. An act to repeal certain sections of the Act of May 26, 1936, pertaining to the Virgin Islands.

H.R. 692. An act to amend title 4, United States Code, to authorize the Governor of a State, territory, or possession of the United States to order that the National Flag be flown at half-staff in that State, territory, or possession in the event of the death of a member of the Armed Forces from that State, territory, or possession who dies while serving on active duty.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 885. An act to support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank; to the Committee on Foreign Relations.

H.R. 2127. An act to designate the facility of the United States Postal Service located at 408 West 6th Street in Chelsea, Oklahoma, as the ''Clem Rogers McSpadden Post Office Building''; to the Committee on Homeland Security and Governmental Affairs.

H.R. 2397. An act to reauthorize the women's entrepreneurial development programs of the Small Business Administration, and for other purposes; to the Committee on Small Business and Entrepreneurship.

H.R. 2563. An act to designate the facility of the United States Postal Service located at 309 East Linn Street in Marshalltown, Iowa, as the ''Major Scott Nisely Post Office''; to the Committee on Homeland Security and Governmental Affairs.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 80. Calling on the Government of Uganda and the Lord's Resistance Army (LRA) to recommit to a political solution to the conflict in northern Uganda by engaging in good-faith negotiations, and urging immediate and substantial support for the ongoing peace process from the United States and the international community; to the Committee on Foreign Relations.

H. Con. Res. 148. Concurrent resolution recognizing the significance of National Caribbean-American Heritage Month; to the Committee on the Judiciary.

H. Con. Res. 151. Noting the disturbing pattern of killings of numerous independent journalists in Russia since 2000, and urging Russian President Vladimir Putin to authorize cooperation with outside investigators in solving those murders; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 1639. A bill to provide for comprehensive immigration reform and for other purposes.

The following concurrent resolution was read, and placed on the calendar:

H. Con. Res. 155. Concurrent resolution recognizing the historical significance of Juneteenth Independence Day, and expressing the sense of Congress that history should be regarded as a means for understanding the past and more effectively facing the challenges of the future.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–2310. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law, the certification of a proposed license for the manufacture of significant military equipment abroad and the export of technical data, defense services, and defense articles for the production of the Airborne Early Warning and Control System for ultimate sale to and end-use by the Republic of Korea; to the Committee on Foreign Relations.

EC–2311. A communication from the Director, Division for Strategic Human Resources Policy, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Locality-Based Comparability Payments and Evacuation Payments'' (RIN3206-AL09) received on June 14, 2007; to the Committee on Homeland Security and Governmental Affairs.

EC–2312. A communication from the Secretary of Labor, transmitting, pursuant to law, the Semiannual Report of the Pension Benefit Guaranty Corporation's Inspector General for the period of October 1, 2006, through March 31, 2007; to the Committee on Homeland Security and Governmental Affairs.

EC–2313. A communication from the Director of the Peace Corps, transmitting, pursuant to law, the Semiannual Report of the Organization's Inspector General for the period of October 1, 2006, through March 31, 2007; to the Committee on Homeland Security and Governmental Affairs.

EC–2314. A communication from the Counsel for Legislation and Regulations, Office of Public and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Self-Insurance Plans Under the Indian Housing Block Grant Program'' (RIN2577-AC58) received on June 14, 2007; to the Committee on Indian Affairs.

EC–2315. A communication from the Chief, Regulatory Management Division, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule'' (RIN1615-AB53) received on June 14, 2007; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–128. A resolution adopted by the Monroe County Board of County Commissioners of the State of Florida urging Congress to appropriate the funds necessary to bring the Herbert Hoover Dike into compliance with current levee protection safety standards and to expedite funding for the improvements through the prompt enactment of the Energy and Water Appropriations Bill; to the Committee on Environment and Public Works.

POM–129. A joint resolution adopted by the Legislature of the State of Maine urging Congress and the Federal Communications Commission to forego imposing a cap on Federal Universal Service Fund support for Maine's rural wireless carriers; to the Committee on Commerce, Science, and Transportation.

JOINT RESOLUTION

We, your Memorialists, the Members of the One Hundred and Twenty-Third Legislature of the State of Maine now assembled in the First Regular Session, most respectfully present and petition the United States Congress and the Federal Communications Commission as follows:

Whereas, the federal Telecommunications Act of 1996 through the establishment of the Federal Universal Service Fund was intended to promote the availability of quality services at just, reasonable and affordable prices, increased access to advanced telecommunications services throughout the Nation and the availability of quality services to all consumers, including those in low-income, rural, insular and high-cost areas, at rates that are reasonably comparable to those charged in urban areas; and

Whereas, the intended goals of that legislation have not been met in the State of Maine, and many of Maine's communities have no wireless services or inadequate wireless service; and

Whereas, the failure to achieve the goals of improved and high-quality services has, and will continue to have, a direct and substantial negative impact on the health and safety of the people living and working in Maine's rural areas; and

Whereas, the failure to achieve this goal of high-quality wireless services at just, reasonable and affordable rates to everyone is a very significant barrier to the economic development of much of rural Maine; and

Whereas, there are 2 rural wireless carriers in Maine that have successfully sought certification as eligible telecommunications carriers and have used the federal universal service funding they have received to construct significant additional wireless infrastructure in rural Maine; and

Whereas, the Maine Public Utilities Commission has certified that these Maine rural wireless carriers have used the funds received from the federal universal service fund in a manner consistent with all laws and regulations governing the funds; and

Whereas, the Federal-State Joint Board on Universal Service has recommended that the Federal Communications Commission impose a cap on funding for competitive eligible telecommunications carriers; and

Whereas, this recommended cap would limit Federal Universal Service Fund support for Maine's rural wireless carriers currently receiving these funds; and

Whereas, the proposed cap on funding would serve to undercut the purpose and objective of the federal telecommunications Act of 1996 by impairing the ability of Maine's wireless eligible telecommunications carriers to expand infrastructure into rural Maine so that rural and urban wireless service is equal, as promised by that act; now, therefore, be it

Resolved, That We, your Memorialists, on behalf of the people we represent, take this opportunity to request that the Federal Communications Commission reject the cap proposed by the Federal State Joint Board on Universal Service; and be it further

Resolved, That We, your Memorialists, respectfully urge and request that the United States Congress take action to repeal the cap if it is adopted by the Federal Communications Commission; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable Kevin J. Martin, Chairman of the Federal Communications Commission, to the President of the United States Senate, to the Speaker of the United States House of Representatives and to each Member of the Maine Congressional Delegation.

POM–130. A joint resolution adopted by the Legislature of the State of Nevada urging the Secretary of the Interior to fully fund the interagency airtanker base programs for wildland fire suppression in Battle Mountain, Minden and Stead; to the Committee on Energy and Natural Resources.

ASSEMBLY JOINT RESOLUTION NO. 7

Whereas, the United States Department of the Interior, through the Bureau of Land Management, has provided vital fire suppression services to the State of Nevada; and

Whereas, these services include air support for wildland fire suppression in northern Nevada through interagency airtanker base operations at the Battle Mountain, Minden-Tahoe and Reno Stead Airports; and

Whereas, the areas of service include the forests and watershed surrounding Lake Tahoe, one of the nation's premiere natural treasures, and the Wildland urban interface along the Sierra Front in both Nevada and California; and

Whereas, in July 2006, Nevada ranked first in the nation in the amount of wildland acreage burned by wildfire in the United States; and

Whereas, the Federal Government owns and manages 87 percent of the land in Nevada; and

Whereas, the Bureau of Land Management has provided exemplary air support for fighting the wildland fires which have threatened Nevada's residents, private property, public lands and other valuable natural resources; and

Whereas, the Sierra Front has complex and challenging conditions that generate volatile and high-intensity wildland fires which are fought over rugged terrain, and airtankers are a critical component of the fight, being used primarily for initial attack and support; and

Whereas, continued funding for the full operation of the interagency airtanker base

programs in Battle Mountain, Minden and Stead with single-engine airtankers that can provide the quick response needed for early suppression of a wildland fire is critical; and

Whereas, the Secretary of the Interior has the authority to authorize the expenditure of money to provide full funding for the interagency airtanker base programs: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the members of the 74th Session of the Nevada Legislature hereby urge the Secretary of the Interior to fully fund the interagency airtanker base programs for wildland fire suppression in Battle Mountain, Minden and Stead; and be it further

Resolved, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the United States Senate, the Speaker of the House of Representatives, the Secretary of the Interior and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage.

POM–131. A joint resolution adopted by the Legislature of the State of Nevada urging Congress to allow certain proceeds from the Southern Nevada Public Land Management Act of 1998 to be used for Nevada's state parks; to the Committee on Energy and Natural Resources.

ASSEMBLY JOINT RESOLUTION NO. 9

Whereas, in 1998, Congress passed the Southern Nevada Public Land Management Act of 1998, Public Law 105–263, which allows the Secretary of the Interior to sell certain federal lands in Clark County, Nevada, for possible development and authorizes use of the proceeds to acquire, conserve and protect environmentally sensitive lands in the State of Nevada; and

Whereas, under the provisions of the Act, 5 percent of the profits from sales of the land is allocated to help fund education, 10 percent is allocated for water and airport infrastructure projects and the remaining 85 percent is deposited into a special account for disbursement; and

Whereas, the money in the special account is specified for certain capital improvement projects, including projects at Lake Mead, Red Rock Canyon, the Desert National Wildlife Refuge and other federally managed recreational areas, the development of parks, trails and a multispecies habitat conservation plan in and around Clark County, the acquisition of environmentally sensitive lands, and restoration and conservation of the Lake Tahoe Basin; and

Whereas, since the first auction of land in 1999, this Act has generated approximately $3 billion, $2.5 billion of which has been disbursed from the special account; and

Whereas, although the money distributed pursuant to the Act has been used for the enhancement and conservation of many federally managed areas in Nevada, there are numerous state parks in Nevada which could also benefit from this money; and

Whereas, with the growing popularity of the many rural recreational and historic sites in Nevada, it is vital that Nevada's state parks be maintained and preserved for the continued enjoyment of the residents of Nevada and its tourists; Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the members of the Nevada Legislature urge Congress to amend the Southern Nevada Public Land Management Act of 1998 to authorize the State of Nevada to use a portion of the money in the special account for the improvement and preservation of Nevada's state parks; and be it further

Resolved, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the United States Senate, the Speaker of the House of Representatives, the Secretary of the Interior and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage.

POM–132. A joint resolution adopted by the Legislature of the State of Nevada urging Congress to provide additional appropriations or any other form of assistance to federal agencies and the State of Nevada for the prevention and suppression of wildfires and the rehabilitation of public rangelands destroyed by wildfires in Nevada; to the Committee on Energy and Natural Resources.

SENATE JOINT RESOLUTION NO. 13

Whereas, during 2005, approximately 1,032,104 acres of land were burned by 794 wildfires occurring in Nevada; and

Whereas, during 2006, approximately 1,468,189 acres of land were burned in Nevada, thereby making Nevada one of the highest ranking states for the amount of land destroyed by wildfires; and

Whereas, the costs of suppressing wildfires for federal agencies nationwide is significant, totaling approximately $161,403,000 for the Bureau of Land Management and approximately $614,000,000 for the United States Forest Service for the fire season for 2005; and

Whereas, approximately 87 percent of the land in Nevada is controlled by the Federal Government, and much of that land includes public rangelands that are used in rural areas of Nevada to support the local ranching industry; and

Whereas, the production of livestock is an important asset for rural communities; and

Whereas, when wildfires occur on public land, those wildfires often destroy portions of the public rangelands in Nevada, thereby making them unavailable for use until rehabilitated; Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That the members of the Nevada Legislature hereby urge Congress to provide additional appropriations or any other form of assistance to federal agencies and the State of Nevada in the prevention and suppression of wildfires and the rehabilitation of public rangelands destroyed by wildfires in Nevada; and be it further

Resolved, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the United States Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Appropriations of the United States Senate, the Chairman of the Committee on Appropriations of the United States House of Representatives and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage.

POM–133. A joint resolution adopted by the Legislature of the State of Maine urging Congress to fully appropriate the money for radioactive waste management; to the Committee on Environment and Public Works.

JOINT RESOLUTION

Whereas, a nuclear-powered electric generation facility was located in Maine at Wiscasset's Bailey Point; and

Whereas, spent nuclear fuel and greater-than-class-C, high-level radioactive waste is currently being stored in Maine in dry casks 300 yards from the coastal tide of the Sheepscot River, at only 21 feet above sea level; and

Whereas, dry cask storage is now being required at the Maine Yankee interim storage site well after the expiration of its license to produce electricity; and

Whereas, continued storage of high-level radioactive spent nuclear fuel and greater-than-class-C, high-level waste in dry casks at the Wiscasset site is not in the best interests of the citizens of that community, nor of the State of Maine; and

Whereas, the Federal Nuclear Waste Policy Act of 1982 established a national policy that the Federal Government is responsible for safe, permanent disposal in a geologic repository of all high-level radioactive waste, including spent nuclear fuel from commercial power reactors and greater-than-class-C waste, as well as military nuclear waste; and

Whereas, the 109th Congress failed to enact a budget for the nuclear waste disposal program for the current fiscal year and took no action on proposed legislation to reform the federal Nuclear Waste Fund to provide more reliable financing of the repository program; and

Whereas, the Federal Accountability for Nuclear Waste Storage Act of 2007 (S. 784) has been introduced in this Congress, requiring the Federal Government to assume legal ownership of all spent nuclear fuel in the country; and

Whereas, the ratepayers of nuclear energy, including Maine, have paid an estimated $19,000,000,000 into the federal Nuclear Waste Fund for the proper disposal of nuclear waste since 1983, and the ratepayers of nuclear energy pay into the Nuclear Waste Fund at least $750,000,000 each year for the purpose of a national repository; and

Whereas, the United States Department of Energy now affirms it cannot initiate retrieval of repository waste for disposal any sooner than 2017 at the very earliest, 19 years past the federal Nuclear Waste Policy Act of 1982 statutory mandate date for initiating retrieval, and the Department of Energy's Office of Civilian Radioactive Waste Management will need full funding to submit a construction application to the United States Nuclear Regulatory Commission by June 2008; and

Whereas, the United States Nuclear Regulatory Commission requires a minimum of 3 years to review such an application; and

Whereas, in order to meet the 2008 license application milestone, the President's budget for fiscal year 2008 requests $202,500,000 from the Nuclear Waste Fund and $292,000,000 from the Defense Nuclear Waste Disposal appropriation to achieve these goals; Now, therefore, be it

Resolved, That We, your Memorialists, respectfully urge and request that the United States Congress fully appropriate the $494,500,000 budget request for the civilian radioactive waste management program; and be it further

Resolved, That Congress should enact legislation that will ensure repository appropriations to match annual Nuclear Waste Fund fee revenue collected from ratepayers for this specific purpose, and ensuring the future availability of any and all surplus for its intended purpose; and be it further

Resolved, That the Legislature of the State of Maine opposes the proposed Federal Accountability for Nuclear Waste Storage Act of 2007 and any proposal for the Federal Government to take title to spent nuclear fuel in this State if the effect of such an action would be that spent nuclear fuel would be kept in Maine without any protection from its long-term effects on the State's population and from acts of intrusion that would endanger the State's environmental and economic well-being; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary

of State, be transmitted to the Honorable George W. Bush, President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives and to each Member of the Maine Congressional Delegation.

POM–134. A resolution adopted by the General Assembly of the State of New Jersey urging Congress to enact the Military Death Benefit Improvement Act of 2005; to the Committee on Armed Services.

ASSEMBLY RESOLUTION NO. 126

Whereas, the bill before Congress known as the Military Death Benefit Improvement Act of 2005 proposes to increase the military death gratuity from $12,000 to $100,000; and

Whereas, the military death gratuity is money provided within 72 hours to assist with the immediate financial needs of families of service members who are killed while on active duty; and

Whereas, this legislation would apply not only to those who are currently serving on active duty in the military, but would also be applied retroactively to all active duty service members who have died since September 11, 2001; and

Whereas, the current military death gratuity of $12,000 is woefully inadequate to compensate families who have made the ultimate sacrifice; and

Whereas, in the face of the great emotional hardship caused by the loss of a loved one, the families of our brave servicemen and women should not also be faced with financial hardship; and

Whereas, the passage of the Military Death Benefit Improvement Act of 2005 will send a message to all men and women in uniform that their government and their country recognize and appreciate their service and sacrifice; now, therefore, be it

Resolved, by the General Assembly of the State of New Jersey:

1. This House strongly supports an increase in the military death gratuity from $12,000 to $100,000, and urges the President and Congress to enact legislation (H.R. 292 and S. 44) implementing this policy.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk of the General Assembly, shall be transmitted to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and each member of New Jersey's Congressional delegation.

POM–135. A resolution adopted by the General Assembly of the State of New Jersey expressing strong opposition to the surge of U.S. troops in Iraq; to the Committee on Foreign Relations.

ASSEMBLY RESOLUTION NO. 246

Whereas, President George W. Bush announced in January that he would send more United States armed forces to Iraq and extend the duty of many such troops already in that country in an effort to end the sectarian violence that has engulfed that nation and to provide stability to the new Iraqi government; and

Whereas, the United States has already committed 132,000 armed forces personnel to that country and plans to escalate troop levels by 21,500 for a total of 153,500, at a cost of $5.6 billion; and

Whereas, the president's ''surge'' comes at a time when a substantial majority of the American public have expressed opposition to the war, in general, and his plan to expand it, in particular; and

Whereas, the president's plan is also opposed by members of Congress, including many who are members of the same political party as the president, who believe that the United States is ultimately responsible for the civil war gripping Iraq; and

Whereas, many family members of service personnel fighting in Iraq are already deeply concerned about their loved ones' safety and are disappointed that the tour of many such soldiers will be extended by at least several months; and

Whereas, to date, the global war on terror, of which the war in Iraq is a part, has already had a significant impact on service men and women from New Jersey and their families, with over 6,000 State Army and Air National Guard and Reserve troops deployed and 83 service personnel killed and many more injured; and

Whereas, the surge will effect 159 members of the New Jersey National Guard currently in Iraq, so that instead of returning in March or April, members of the 117th Reconnaissance Surveillance Target Acquisition Unit and the 250th Brigade Support Battalion will now be returning in July or August; and

Whereas, it is clear to this House that sending more troops to Iraq will result in the death of more American service personnel but will do little to end the civil war in Iraq or bring lasting peace to the Iraqi people and stability to their new government; and

Whereas, despite this House's opposition to President Bush's action, it strongly and unequivocally supports the brave men and women in all branches of the Armed Forces of the United States who are currently in Iraq, those service personnel who will be sent to that county as a part of the surge and the families of such troops who remain at home concerned about their loved ones in the war zone; and

Whereas, it is therefore fitting and proper for this House to express its strong opposition to President Bush's surge in United States troops in Iraq; now, therefore, be it

Resolved, by the General Assembly of the State of New Jersey.

1. This House expresses its strong opposition to President George W. Bush's surge in United States troops in Iraq.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President George W. Bush and every member of Congress elected from New Jersey.

POM–136. A joint resolution adopted by the Legislature of the State of Nevada urging Congress to repeal the REAL ID Act of 2005; to the Committee on Homeland Security and Governmental Affairs.

ASSEMBLY JOINT RESOLUTION NO. 6

Whereas, in May 2005, the United States Congress enacted the REAL ID Act of 2005 as part of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, Public Law 109–13, which was signed by President George W. Bush on May 11, 2005, and which becomes fully effective on May 11, 2008; and

Whereas, use of the federal minimum standards for state driver's licenses and state identification cards will be necessary for any type of federally regulated activity for which an identification card must be displayed; and

Whereas, the United States Department of Homeland Security, to date, has failed to promulgate rules for the implementation of the REAL ID Act; and

Whereas, the mandate to the states, through federal legislation, provides no funding for its requirements; and

Whereas, the American Association of Motor Vehicle Administrators, the National Governors' Association and the National Conference of State Legislatures have estimated that the cost to the states to implement the REAL ID Act will be more than $11 billion over 5 years; and

Whereas, the implementation of the REAL ID Act would cost Nevada taxpayers approximately $30 million during Fiscal Year 2007 and Fiscal Year 2008; and

Whereas, the State of Nevada would incur additional expenditures associated with the implementation of the national identification card through machine readable technology, increased training of Nevada's Department of Motor Vehicles employees and increased Department of Motor Vehicles employee work hours; and

Whereas, Nevada's compliance with the provisions of the REAL ID Act will require that, over the course of 4 years, an estimated 2 million Nevadans will be subjected to the unnecessary inconvenience of obtaining a REAL ID compliant driver's license or identification card in person at offices of Nevada's Department of Motor Vehicles; and

Whereas, the State of Nevada is committed to increased security and unimpeachable integrity of driver's licenses and identification cards within the State and the United States; and

Whereas, the State of Nevada is also committed to compliance with the REAL ID Act, should appropriate rules be adopted and federal funding be provided for implementation; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the State of Nevada urges Congress to repeal the REAL ID Act portion of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005; and be it further

Resolved, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the President of the United States, the Vice President of the United States as the presiding officer of the United States Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage.

POM–137. A resolution adopted by the General Assembly of the State of New Jersey opposing the federal legislation entitled ''Fairness in Asbestos Injury Resolution Act of 2005''; to the Committee on the Judiciary.

ASSEMBLY RESOLUTION NO. 100

Whereas, asbestos was used for decades, especially during and after World War II, in several industries in a variety of products, notably insulation, and exposure to asbestos has proven deadly to thousands of workers; and

Whereas, long-term exposure to asbestos has been associated with various types of cancer, including lung cancer, as well as asbestosis and pleural disease; and

Whereas, the discovery, on a nationwide basis, of the fatal effects of asbestos exposure has spawned a massive and still growing civil litigation industry; and

Whereas, the United States Supreme Court has called upon Congress to resolve the national asbestos litigation issue; and

Whereas, the ''Fairness in Asbestos Injury Resolution Act of 2005,'' pending in the United States Senate as Senate Bill 852 and sponsored by Senators Specter and Leahy, would seek to provide payouts to people sickened by exposure to asbestos by requiring that such individuals apply to the Department of Labor for compensation rather than take the case to court; and

Whereas, the bill would establish a $140 billion trust fund, primarily financed by businesses, from which damages would be paid on

accordance with a schedule so that those with the most serious health problems related to asbestos exposure would receive the most money, with maximum damages capped at $1 million; and

Whereas, Senate Bill 852 has drawn reservations and opposition from many members of the United States Congress, organized labor and consumer groups, and some insurance companies, arguing that the bill would allow big businesses to avoid financial responsibility and that the fund would not adequately compensate all of the victims; and

Whereas, because contributions to the trust fund are capped at $27.5 million per company per year, several Fortune 500 companies stand to save billions of dollars under the bill and many companies will be liable for only 10 to 20 cents of every dollar that they would have owed if the cases went to court; now, therefore, be it

Resolved, by the General Assembly of the State of New Jersey:

1. This House opposes the ''Fairness in Asbestos Injury Resolution Act of 2005,'' currently pending in the United States Senate as Senate Bill 852.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President and Vice-President of the United States, the Speaker of the United States House of Representatives, the majority and minority leaders of the United States Senate and the United States House of Representatives, and each member of the Congress of the United States elected from this State.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Appropriations:

Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 2008'' (Rept. No. 110–87).

By Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, without amendment:

S. 1099. A bill to amend chapter 89 of title 5, United States Code, to make individuals employed by the Roosevelt Campobello International Park Commission eligible to obtain Federal health insurance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. HUTCHISON:

S. 1647. A bill to amend title II of the Social Security Act to repeal the windfall elimination provision and protect the retirement of public servants; to the Committee on Finance.

By Mr. LEVIN:

S. 1648. A bill for the relief of Guy Vang, Genevieve Chong Foung, Caroline Vang, and Meline ''Melanie'' Vang; to the Committee on the Judiciary.

By Mr. FEINGOLD (for himself and Mr. CASEY):

S. 1649. A bill to provide for 2 programs to authorize the use of leave by caregivers for family members of certain individuals performing military service, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. KERRY (for himself, Mr. WARNER, Mr. PRYOR, Mr. SMITH, and Mr. WEBB):

S. 1650. A bill to establish a digital and wireless network technology program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KENNEDY (for himself, Mr. SMITH, Mr. BIDEN, Mr. HAGEL, Mr. LEAHY, Mr. LEVIN, and Mr. LIEBERMAN):

S. 1651. A bill to assist certain Iraqis who have worked directly with, or are threatened by their association with, the United States, and for other purposes; to the Committee on the Judiciary.

By Mrs. DOLE (for herself and Ms. CANTWELL):

S. 1652. A bill to amend the Trade Act of 1974 with respect to trade adjustment assistance for textile and apparel workers, and for other purposes; to the Committee on Finance.

By Mr. INHOFE (for himself, Mr. CARPER, and Mr. VOINOVICH):

S. 1653. A bill to implement the Convention on Supplementary Compensation for Nuclear Damage, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KYL:

S. 1654. A bill to prohibit the sale or provision of caller ID spoofing services; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mrs. MURRAY, and Mr. BYRD):

S. 1655. A bill to establish improved mandatory standards to protect miners during emergencies, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE (for herself and Mr. KERRY):

S. 1656. A bill to authorize loans for renewable energy systems and energy efficiency projects under the Express Loan Program of the Small Business Administration; to the Committee on Small Business and Entrepreneurship.

By Mr. KERRY (for himself and Ms. SNOWE):

S. 1657. A bill to establish a small business energy efficiency program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. GREGG:

S. 1658. A bill to amend the Servicemembers Civil Relief Act to provide protection for child custody arrangements for parents who are members of the Armed Forces deployed in support of a contingency operation; to the Committee on Veterans' Affairs.

By Mr. GREGG:

S. 1659. A bill to limit the simultaneous deployment to combat zones of dual-military couples who have minor dependents; to the Committee on Armed Services.

By Mr. GREGG:

S. 1660. A bill to require studies on support services for families of members of the National Guard and Reserve who are undergoing deployment; to the Committee on Armed Services.

By Mr. DORGAN (for himself, Mr. STEVENS, and Mr. INOUYE):

S. 1661. A bill to communicate United States travel policies and improve marketing and other activities designed to increase travel in the United States from abroad; to the Committee on Commerce, Science, and Transportation.

By Mr. KERRY (for himself and Ms. SNOWE):

S. 1662. A bill to amend the Small Business Investment Act of 1958 to reauthorize the venture capital program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. KERRY (for himself and Ms. SNOWE):

S. 1663. A bill to amend the Small Business Investment Act of 1958 to reauthorize the New Markets Venture Capital Program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SESSIONS (for himself, Mr. DEMINT, Mrs. DOLE, Mr. GRASSLEY, and Mr. VITTER):

S. Res. 239. A resolution expressing the sense of the Senate that the Administration should rigorously enforce the laws of the United States to substantially reduce illegal immigration and greatly improve border security; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 38

At the request of Ms. MURKOWSKI, her name was added as a cosponsor of S. 38, a bill to require the Secretary of Veterans Affairs to establish a program for the provision of readjustment and mental health services to veterans who served in Operation Iraqi Freedom and Operation Enduring Freedom, and for other purposes.

S. 147

At the request of Mrs. BOXER, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 147, a bill to empower women in Afghanistan, and for other purposes.

S. 456

At the request of Mrs. FEINSTEIN, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 456, a bill to increase and enhance law enforcement resources committed to investigation and prosecution of violent gangs, to deter and punish violent gang crime, to protect law-abiding citizens and communities from violent criminals, to revise and enhance criminal penalties for violent crimes, to expand and improve gang prevention programs, and for other purposes.

S. 507

At the request of Mr. CONRAD, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 507, a bill to amend title XVIII of the Social Security Act to provide for reimbursement of certified midwife services and to provide for more equitable reimbursement rates for certified nurse-midwife services.

S. 535

At the request of Mr. DODD, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 535, a bill to establish an Unsolved Crimes Section in the Civil Rights Division of the Department of Justice, and an Unsolved Civil Rights Crime Investigative Office in the Civil Rights Unit of the Federal Bureau of Investigation, and for other purposes.

S. 543

At the request of Mr. NELSON of Nebraska, the name of the Senator from California (Mrs. BOXER) was added as a

cosponsor of S. 543, a bill to improve Medicare beneficiary access by extending the 60 percent compliance threshold used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility under the Medicare program.

S. 594

At the request of Mrs. FEINSTEIN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 594, a bill to limit the use, sale, and transfer of cluster munitions.

S. 622

At the request of Mr. HARKIN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 622, a bill to enhance fair and open competition in the production and sale of agricultural commodities.

S. 651

At the request of Mr. HARKIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 651, a bill to help promote the national recommendation of physical activity to kids, families, and communities across the United States.

S. 773

At the request of Ms. MURKOWSKI, her name was added as a cosponsor of S. 773, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

At the request of Mr. WARNER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 773, supra.

S. 807

At the request of Mrs. LINCOLN, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S. 807, a bill to amend the Comprehensive Environmental Response Compensation and Liability Act of 1980 to provide that manure shall not be considered to be a hazardous substance, pollutant, or contaminant.

S. 871

At the request of Mr. LIEBERMAN, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 871, a bill to establish and provide for the treatment of Individual Development Accounts, and for other purposes.

S. 901

At the request of Mr. KENNEDY, the name of the Senator from Virginia (Mr. WEBB) was added as a cosponsor of S. 901, a bill to amend the Public Health Service Act to provide additional authorizations of appropriations for the health centers program under section 330 of such Act.

S. 932

At the request of Mrs. LINCOLN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 932, a bill to amend title XVIII of the Social Security Act to authorize physical therapists to evaluate and treat Medicare beneficiaries without a requirement for a physician referral, and for other purposes.

S. 941

At the request of Mr. SANDERS, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 941, a bill to increase Federal support for Community Health Centers and the National Health Service Corps in order to ensure access to health care for millions of Americans living in medically-underserved areas.

S. 946

At the request of Mr. DURBIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 946, a bill to amend the Farm Security and Rural Investment Act of 2002 to reauthorize the McGovern-Dole International Food for Education and Child Nutrition Program, and for other purposes.

S. 961

At the request of Ms. MURKOWSKI, her name was added as a cosponsor of S. 961, a bill to amend title 46, United States Code, to provide benefits to certain individuals who served in the United States merchant marine (including the Army Transport Service and the Naval Transport Service) during World War II, and for other purposes.

S. 991

At the request of Mr. DURBIN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 991, a bill to establish the Senator Paul Simon Study Abroad Foundation under the authorities of the Mutual Educational and Cultural Exchange Act of 1961.

S. 999

At the request of Mr. COCHRAN, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 999, a bill to amend the Public Health Service Act to improve stroke prevention, diagnosis, treatment, and rehabilitation.

S. 1042

At the request of Mr. ENZI, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1042, a bill to amend the Public Health Service Act to make the provision of technical services for medical imaging examinations and radiation therapy treatments safer, more accurate, and less costly.

S. 1146

At the request of Ms. MURKOWSKI, her name was added as a cosponsor of S. 1146, a bill to amend title 38, United States Code, to improve health care for veterans who live in rural areas, and for other purposes.

S. 1149

At the request of Mr. KOHL, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1149, a bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to authorize the interstate distribution of State-inspected meat and poultry if the Secretary of Agriculture determines that the State inspection requirements are at least equal to Federal inspection requirements and to require the Secretary to reimburse State agencies for part of the costs of the inspections.

S. 1172

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1172, a bill to reduce hunger in the United States.

S. 1183

At the request of Mr. HARKIN, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from Pennsylvania (Mr. CASEY) were added as cosponsors of S. 1183, a bill to enhance and further research into paralysis and to improve rehabilitation and the quality of life for persons living with paralysis and other physical disabilities, and for other purposes.

S. 1224

At the request of Mr. ROCKEFELLER, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1224, a bill to amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program, and for other purposes.

S. 1295

At the request of Mr. FEINGOLD, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 1295, a bill to amend the African Development Foundation Act to change the name of the Foundation, modify the administrative authorities of the Foundation, and for other purposes.

S. 1310

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1310, a bill to amend title XVIII of the Social Security Act to provide for an extension of increased payments for ground ambulance services under the Medicare program.

S. 1323

At the request of Mr. MCCONNELL, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1323, a bill to prevent legislative and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a person's weight gain, obesity, or any health condition associated with weight gain or obesity.

S. 1337

At the request of Mr. KERRY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1337, a bill to amend title XXI of the Social Security Act to provide for equal coverage of mental health services under the State Children's Health Insurance Program.

S. 1382

At the request of Mr. REID, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from

Louisiana (Mr. VITTER), the Senator from Virginia (Mr. WARNER) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 1382, a bill to amend the Public Health Service Act to provide the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1406

At the request of Mr. KERRY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1406, a bill to amend the Marine Mammal Protection Act of 1972 to strengthen polar bear conservation efforts, and for other purposes.

S. 1415

At the request of Mr. HARKIN, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1415, a bill to amend the Public Health Service Act and the Social Security Act to improve screening and treatment of cancers, provide for survivorship services, and for other purposes.

S. 1428

At the request of Mr. HATCH, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1428, a bill to amend part B of title XVIII of the Social Security Act to assure access to durable medical equipment under the Medicare program.

S. 1457

At the request of Mr. HARKIN, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 1457, a bill to provide for the protection of mail delivery on certain postal routes, and for other purposes.

S. 1460

At the request of Mr. HARKIN, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1460, a bill to amend the Farm Security and Rural Development Act of 2002 to support beginning farmers and ranchers, and for other purposes.

S. 1469

At the request of Mr. HARKIN, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 1469, a bill to require the closure of the Department of Defense detention facility at Guantanamo Bay, Cuba, and for other purposes.

S. 1529

At the request of Mr. HARKIN, the names of the Senator from California (Mrs. BOXER) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1529, a bill to amend the Food Stamp Act of 1977 to end benefit erosion, support working families with child care expenses, encourage retirement and education savings, and for other purposes.

S. 1571

At the request of Mr. BINGAMAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1571, a bill to reform the essential air service program, and for other purposes.

S. 1572

At the request of Mr. BINGAMAN, the names of the Senator from California (Mrs. BOXER) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 1572, a bill to increase the number of well-trained mental health service professionals (including those based in schools) providing clinical mental health care to children and adolescents, and for other purposes.

S. 1592

At the request of Mr. BROWN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1592, a bill to reauthorize the Underground Railroad Educational and Cultural Program.

S. 1593

At the request of Mr. BAUCUS, the names of the Senator from Nebraska (Mr. NELSON), the Senator from Illinois (Mr. OBAMA) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1593, a bill to amend the Internal Revenue Code of 1986 to provide tax relief and protections to military personnel, and for other purposes.

S. 1603

At the request of Mr. MENENDEZ, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 1603, a bill to authorize Congress to award a gold medal to Jerry Lewis, in recognition of his outstanding service to the Nation.

S. 1605

At the request of Mr. CONRAD, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1605, a bill to amend title XVIII of the Social Security Act to protect and preserve access of Medicare beneficiaries in rural areas to health care providers under the Medicare program, and for other purposes.

S. 1606

At the request of Mr. LEVIN, the names of the Senator from Iowa (Mr. HARKIN), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 1606, a bill to provide for the establishment of a comprehensive policy on the care and management of wounded warriors in order to facilitate and enhance their care, rehabilitation, physical evaluation, transition from care by the Department of Defense to care by the Department of Veterans Affairs, and transition from military service to civilian life, and for other purposes.

S. 1616

At the request of Mr. DURBIN, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 1616, a bill to amend the Clean Air Act to promote and assure the quality of biodiesel fuel, and for other purposes.

S. 1618

At the request of Mr. SALAZAR, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 1618, a bill to amend the Internal Revenue Code of 1986 to provide a credit for the production of a cellulosic biofuel.

S. 1621

At the request of Mr. CONRAD, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1621, a bill to amend the Internal Revenue Code of 1986 to treat certain farming business machinery and equipment as 5-year property for purposes of depreciation.

S. 1638

At the request of Mr. LEAHY, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1638, a bill to adjust the salaries of Federal justices and judges, and for other purposes.

S. 1642

At the request of Mr. KENNEDY, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1642, a bill to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

S. CON. RES. 1

At the request of Mr. ALLARD, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. Con. Res. 1, a concurrent resolution expressing the sense of Congress that an artistic tribute to commemorate the speech given by President Ronald Reagan at the Brandenburg Gate on June 12, 1987, should be placed within the United States Capitol.

S. CON. RES. 22

At the request of Mr. DURBIN, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. Con. Res. 22, a concurrent resolution expressing the sense of the Congress that the Citizens' Stamp Advisory Committee should recommend to the Postmaster General that a commemorative postage stamp be issued to promote public awareness of Down syndrome.

S. RES. 171

At the request of Ms. COLLINS, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. Res. 171, a resolution memorializing fallen firefighters by lowering the United States flag to half-staff on the day of the National Fallen Firefighter Memorial Service in Emmitsburg, Maryland.

S. RES. 215

At the request of Mr. ALLARD, the names of the Senator from California (Mrs. BOXER), the Senator from Oregon (Mr. WYDEN), the Senator from Alaska (Ms. MURKOWSKI), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Mexico (Mr. DOMENICI), the Senator from Ohio (Mr. BROWN), the Senator from Minnesota (Mr. COLEMAN), the Senator from Hawaii (Mr.

AKAKA), the Senator from Maryland (Ms. MIKULSKI) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. Res. 215, a resolution designating September 25, 2007, as ''National First Responder Appreciation Day''.

S. RES. 224

At the request of Mrs. FEINSTEIN, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. Res. 224, a resolution expressing the sense of the Senate regarding the Israeli-Palestinian peace process.

S. RES. 231

At the request of Mr. DURBIN, the names of the Senator from Arkansas (Mr. PRYOR), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from Hawaii (Mr. AKAKA) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. Res. 231, a resolution recognizing the historical significance of Juneteenth Independence Day and expressing the sense of the Senate that history should be regarded as a means for understanding the past and solving the challenges of the future.

S. RES. 236

At the request of Mr. BAYH, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. Res. 236, a resolution supporting the goals and ideals of the National Anthem Project, which has worked to restore America's voice by re-teaching Americans to sing the national anthem.

AMENDMENT NO. 1556

At the request of Mrs. LINCOLN, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Texas (Mr. CORNYN) were added as cosponsors of amendment No. 1556 intended to be proposed to H.R. 6, a bill to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes.

AMENDMENT NO. 1610

At the request of Mr. CARDIN, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of amendment No. 1610 proposed to H.R. 6, a bill to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes.

AMENDMENT NO. 1628

At the request of Mr. BUNNING, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of amendment No. 1628 proposed to H.R. 6, a bill to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FEINGOLD (for himself and Mr. CASEY):

S. 1649. A bill to provide for 2 programs to authorize the use of leave by caregivers for family members of certain individuals performing military service, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. FEINGOLD. Mr. President, today I introduce legislation that should, and could, have been law 1 year ago, the Military Family Support Act. This bill provides modest but significant relief for the families of the brave American soldiers deployed overseas. I was disappointed that, after passing the Senate last year as an amendment to the fiscal year 2007 Defense Department authorization bill, this provision was removed in conference. I am pleased to be joined in this effort by Senator CASEY.

As part of the predeployment process, military personnel with dependent children or other dependent family members designate a caregiver for their dependents. Dependents may be children, elderly parents, an ill sibling; anyone who requires care. These caregivers act in the deployed personnel's place to provide care during the period of deployment. The caregiver could be a spouse, parent, sibling, or other responsible adult who is capable of caring, and willing to care, for the dependents in question.

The bill that I am introducing today, the Military Family Support Act, would create two programs to provide additional leave options for persons who have been designated as caregivers. The bill would require the Office of Personnel Management, OPM, to create a program under which Federal employees who are designated as caregivers could use accrued annual or sick leave, leave bank benefits, and other leave available to them under title 5 for purposes directly relating to or resulting from their designation as a caregiver.

The second program would be administered by the Department of Labor for private sector employees. The Department would create a voluntary program, allowing private sector companies to create similar programs for their employees. Many companies across the country are already working with employees to provide support when an employee or a family member of an employee is called to active duty. I commend these companies for their compassion and understanding, and I hope that this program would expand such options to more workers.

Lastly, this bill would require a report from the Government Accountability Office evaluating both the OPM and voluntary private sector program. If the report demonstrates that the program has helped military families, which I believe it will, Congress may act to expand the programs or make them permanent.

I want to be clear that the legislation I am introducing today specifically exempts Family Medical Leave Act leave from the types of leave that can be used by designated caregivers under this legislation. Last Congress, I introduced legislation to expand the FMLA to cover leave for designated caregivers. That legislation, however, met with opposition from some Members who object to the FMLA itself. While I continue to believe that this opposition is misguided and that family members of deployed servicemembers should be able to take leave under the FMLA, I have drafted this compromise measure to address those concerns.

This legislation has been endorsed by the National Military Family Association, the National Partnership for Women and Families, and the Military Officers Association of America.

In small towns and big cities all over this country, family members of deployed servicemembers are struggling to care for their children without their spouses' help. In addition, many servicemembers care for elderly parents and this responsibility often falls to a sibling or spouse when that servicemember is deployed abroad. While we may not be able to promise the safe return of each one of these brave men and women, we can provide this modest relief to their families here at home. I urge my colleagues to support this legislation and I yield the floor.

I ask unanimous consent that the text of the bill and letters of support be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Military Family Support Act of 2007''.

SEC. 2. PROGRAMS FOR USE OF LEAVE BY CAREGIVERS FOR FAMILY MEMBERS OF INDIVIDUALS PERFORMING CERTAIN MILITARY SERVICE.

(a) FEDERAL EMPLOYEES PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (3) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' has the meaning given under section 6331 of title 5, United States Code.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—The Office of Personnel Management shall establish a program to authorize a caregiver to—

(A) use any sick leave of that caregiver during a covered period of service in the same manner and to the same extent as annual leave is used; and

(B) use any leave available to that caregiver under subchapter III or IV of chapter 63 of title 5, United States Code, during a covered period of service as though that covered period of service is a medical emergency.

(3) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing agency and the Office of Personnel Management.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(4) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(5) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Office of Personnel Management shall prescribe regulations to carry out this subsection.

(6) TERMINATION.—The program under this subsection shall terminate on December 31, 2012.

(b) VOLUNTARY PRIVATE SECTOR LEAVE PROGRAM.—

(1) DEFINITIONS.—

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (4) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' means an employee of a business entity participating in the program under this subsection.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—

(A) IN GENERAL.—The Secretary of Labor shall establish a program to authorize employees of business entities described under paragraph (3) to use sick leave, or any other leave available to an employee, during a covered period of service in the same manner and to the same extent as annual leave (or its equivalent) is used.

(B) EXCEPTION.—Subparagraph (A) shall not apply to leave made available under the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(3) VOLUNTARY BUSINESS PARTICIPATION.—The Secretary of Labor shall solicit business entities to voluntarily participate in the program under this subsection.

(4) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing business entity.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(5) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(6) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor shall prescribe regulations to carry out this subsection.

(7) TERMINATION.—The program under this subsection shall terminate on December 31, 2012.

(c) GAO REPORT.—Not later than June 30, 2010, the Government Accountability Office shall submit a report to Congress on the programs under subsections (a) and (b) that includes—

(1) an evaluation of the success of each program; and

(2) recommendations for the continuance or termination of each program.

(d) OFFSET.—The aggregate amount authorized to be appropriated for fiscal year 2008 for the use of the Department of Defense for research, development, test and evaluation shall be reduced by $2,000,000.

NATIONAL MILITARY FAMILY ASSOCIATION, INC.,
Alexandria, VA, June 14, 2007.

Hon. RUSS FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINGOLD: The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies that will improve the lives of the families of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration. For more than 35 years, its staff and volunteers, comprised mostly of military family members, have built a reputation for being the leading experts on military family issues.

On behalf of NMFA and the families it serves, we commend you on your leadership in sponsoring the ''Military Family Support Act of 2007''. Authorizing federal employees who have been designated ''caregivers'' by the Armed Forces to use their previously earned leave time in a more flexible manner helps to alleviate some of the stress caregivers experience during a deployment. NMFA also applauds the inclusion of a provision that instructs the Department of Labor to solicit private businesses to voluntarily offer more accommodating leave time to employees affected by a service member's deployment overseas.

NMFA has heard from many families about the difficulty of balancing family obligations with job requirements when a close family member is deployed. Suddenly, they are single parents or, in the case of grandparents, assuming the new responsibility of caring for grandchildren. The days leading up to a deployment can be filled with pre-deployment briefings and putting legal affairs in order. Families also need the opportunity to spend precious time together prior to a long separation. The need is no less when the service member returns. Reintegration and transition requires training not only for the service member but for the family as well in order to be most effective.

Military families, especially those of deployed service members, are called upon to make extraordinary sacrifices. This amendment offers families some breathing room as they adjust to this time of separation.

Thank you for your support and interest in military families. If NMFA can be of any assistance to you in other areas concerning military families, please contact Jessica Perdew in the Government Relations Department at 703–931–6632 or by e-mail at jessica.perdew@nmfa.org.

Sincerely,

TANNA K. SCHMIDLI,
Chairman, Board of Governors.

NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES,
Washington, DC, June 15, 2007.

Senator FEINGOLD
Hart Office Building,
Washington, DC.

DEAR SENATOR FEINGOLD: We are writing to express our support of the Military Family Support of 2007. This important legislation would allow federal employees to take job-protected leave to address family caregiving needs caused by the deployment of a family member and would authorize a similar voluntary project for the private sector to be administered by the Department of Labor. We applaud your leadership on this issue.

The National Partnership for Women & Families is a non-profit, non-partisan advocacy organization dedicated to promoting fairness in the workplace, access to quality

health care and policies that help women and men meet the demands of work and family. We are proud to have led the coalition that helped enact the Family and Medical Leave Act (FMLA), which has helped over 60 million workers take time off from work to welcome a new child or deal with an acute medical need.

But there is more to be done to support America's families, including the 40 percent of workers who today cannot access the FMLA. This legislation will close a critical gap in the FMLA by addressing the specific needs of families with active military members, and could not come at a more critical time in the lives of our military families. Its passage will give them time to prepare, logistically and mentally, before or during a loved one's departure for active duty—without fear of losing a much needed job.

We thank you for supporting our troops by helping to ensure their families are cared for in times of need.

Sincerely,

DEBRA L. NESS,
President.

By Mr. KENNEDY (for himself, Mr. SMITH, Mr. BIDEN, Mr. HAGEL, Mr. LEAHY, Mr. LEVIN, and Mr. LIEBERMAN):

S. 1651. A bill to assist certain Iraqis who have worked directly with, or are threatened by their association with, the United States, and for other purposes; to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, because of the war in Iraq, more than 2 million Iraqis have been internally displaced in their own country, and 2 million other Iraqis are in neighboring countries throughout the region, primarily Jordan and Syria.

The humanitarian needs of the refugees and internally displaced Iraqis are immense. If their needs are not quickly and adequately met, these populations could become a fertile recruiting ground for terrorists.

Iraqi refugees are also a significant financial burden on countries in the region. As the Iraq Study Group concluded, if the refugee crisis ''is not addressed, Iraq and the region could be further destabilized.''

Many Iraqis who have worked in critical positions in direct support of the U.S. Government in Iraq have been killed or injured in reprisals for their support of our effort. Many more Iraqis associated with the United States have fled their country in fear of being killed or injured.

Clearly, we cannot resettle all of Iraq's refugees in the United States, but we have a fundamental obligation to help the vast number of Iraqis displaced in Iraq and throughout the region by the war and the associated chaos, especially those who have supported America's efforts in Iraq.

In April 2007, Assistant Secretary of State Ellen Sauerbray said the United States ''could resettle up to 25,000 Iraqi refugees this year.'' In May 2007, Under Secretary Paula Dobriansky said, ''We are committed to honoring our moral debt to those Iraqis who have provided assistance to the United States military and embassy.'' On June 8, Secretary Rice said ''the people that I'm most worried about in the near term are the people who've worked with us who might be subject to recrimination and reprisal. And we're trying to step up our efforts on their behalf.''

It is essential for the United States to develop a comprehensive and effective approach to meet the rapidly growing needs of Iraq's refugees and internally displaced persons, especially those who are associated with the United States.

The legislation I am introducing today with Senators SMITH, BIDEN, HAGEL, LEAHY, LEVIN, and LIEBERMAN seeks to accomplish these goals.

First, the legislation would create a special category of applicants for refugee status in Iraq. Those eligible for this program, a P–2 category for refugees of special humanitarian concern, would be the Iraqis most closely associated with the United States. Iraqis who qualify would be those, 1. who have been employed by or worked directly with the U.S. Government in Iraq; or, 2. who were employed in Iraq by a media or nongovernmental organization based in the United States or by an organization or entity that has received a grant from, or entered into a cooperative agreement or contract with, the U.S. Government; or, 3. who are spouses, children, sons, daughters, siblings and parents of those who worked for or with us; or, 4. who are members of religious or minority communities and have close family members in the U.S.

Those eligible would not have to be referred to our Government by the United Nations High Commissioner for Refugees or a U.S. Embassy. All applicants, however, would need to demonstrate a well-founded fear of persecution. Applicants would be required to go through recently approved extensive security screening.

P–2 visas for these refugees would come out of the overall authorized admissions number for the refugee program, currently established at 70,000. That figure is determined every year by the President in close consultation with the Congress.

In addition to the new P–2 category of refugee applications, the legislation would expand the current U.S. Government program which provides special immigrant visas only to Iraqi and Afghan translators and interpreters. Those eligible for the expanded special immigrant visa program are Iraqis who have been employed by or worked directly with the United States for 1 year in the aggregate since 2003, and need not have served as a translator or interpreter for the military or Department of State.

Applicants for SIV visas would not need to demonstrate a well-founded fear of persecution, but they would need to meet security requirements, demonstrate that they provided faithful service to our Government, and provide a recommendation or evaluation. The Secretary of State would be required to provide applicants with protection or immediate removal from Iraq if they are in immediate danger. Five thousand of these visas would be available yearly for 5 years.

Importantly, our legislation requires the Secretary of State to establish a program for processing P–2 refugees and SIV applicants in Iraq and in countries in the region. The Secretary would be required to report to the Congress within 60 days on plans to establish this program. Currently, there is no mechanism for applying for refugee status in Iraq. Those fleeing persecution and seeking refugee status must find their way to Jordan or Syria, locate an official from the United Nations High Commissioner for Refugees, and then be referred to the U.S. Government by the United Nations. Because of the growing violence and risk for those associated with the United States, we need to find a way to address this problem for Iraqis inside Iraq. Our bill does not eliminate the referral system through the United Nations, or any other existing system, but it does create an essential mechanism for direct applications in country.

To oversee the implementation of this new program, the Secretary of State would be required to establish in the Embassy in Baghdad a Minister Counselor for Refugees and Internally Displaced Persons. This senior official would be responsible for overseeing the in-country processing of P–2 refugee and special immigrant visa applicants, and would have authority to refer them directly to the U.S. refugee resettlement program.

A parallel position would be created in the American embassies in Egypt, Jordan, Lebanon, and Syria to oversee the application process of P–2 refugees of special humanitarian concern. SIV applicants would work through regular consular channels in embassies in those countries.

Recognizing that the United States can only resettle a small number of the most vulnerable refugees within our borders, the Secretary of State would be required to consult with other countries about resettlement of refugee populations, develop mechanisms in countries with significant populations of displaced Iraqis to ensure the refugees' well-being and safety, and provide assistance to the countries in doing so.

In addition, the legislation would allow Iraqis denied asylum after March 2003 based on changed conditions to file a new petition with an immigration judge to reopen their cases. Those denied asylum, for example, on the grounds that Saddam Hussein is no longer in power and the United States is committed to building democracy in Iraq should be permitted to make their case again before a judge.

After 90 days, and annually thereafter, the President would be required to submit an unclassified report to

Congress with a classified annex if necessary, assessing the financial, security, personnel, considerations and resources necessary to establish the programs required in the act. After 90 days, the Secretary of Homeland Security would be required to submit a report to Congress outlining plans to expedite processing of Iraqi refugees, including a temporary expansion of the Refugee Corps, and plans to enhance existing systems for conducting background and security checks for Iraqis applying through the program.

More than 5 years ago, Arthur Helton, perhaps this country's staunchest advocate for the rights of refugees wrote, ''Refugees matter . . . for a wide variety of reasons . . . Refugees are a product of humanity's worst instincts—the willingness of some persons to oppress others—as well as some of its best instincts—the willingness of many to assist and protect the helpless . . . In personal terms, we care about refugees because of the seed of fear that lurks in all of us that can be stated so simply: it could be me.''

A year later, Arthur Helton gave his life for his beliefs. He was killed in Baghdad in 2003 while meeting with U.N. Special Envoy Sergio Vieira de Mello when a bomb destroyed the U.N. headquarters in Iraq.

But his words resonate today, especially when we consider the very human cost of the war in Iraq, and its tragic effect on the millions of Iraqis, men, women, and children, who have fled their homes and their country to escape the violence of a nation at war with itself.

America has a special obligation to keep faith with the Iraqis who now have a bulls-eye on their back because of their association with our Government.

At a hearing in the Senate Judiciary Committee in January, chilling testimony was presented about the dangers Iraqis face because of their association with America.

One Iraqi, Sami, was a translator for U.S. and Coalition forces and who now lives in the United States. He said, ''I too, have been targeted for my death. My name was listed on the doors of several mosques calling for my death. Supposed friends of mine saw my name on the list and turned on me because they believed I was traitor . . . In June 2006, I learned that I had been granted special status. As a result, today I live free from the fear of persecution and threats to my life that I faced on a daily basis in Iraq. My hope is that all brave Iraqis who worked and braved so much will have the same chance as I have had to live in freedom.''

Another Iraqi, John, worked as a water service man for U.S. troops. He said, ''My wife, my six children and myself fled Iraq after terrorist groups targeted me and my family because I aided the Americans by supplying water to their service camps.''

Ken Bacon, president of Refugees International, summed it up well when he said, ''There is a large group of Iraqis who have risked their lives to support the United States . . . people are sacrificing their lives to help the United States.''

The legislation has been endorsed by organizations including Refugees International, Refugee Council USA which encompasses Amnesty International USA, Arab-American and Chaldean Council, Chaldean Federation of America, Church World Service/Immigration and Refugee Program, Episcopal Migration Ministries, Hebrew Immigrant Aid Society, Human Rights First, International Rescue Committee, Jesuit Refugee Service/USA, Jubilee Campaign USA, Lutheran Immigration and Refugee Services, Migration & Refugee Services/United States Conference of Catholic Bishops, Southeast Asia Resource Action Center, U.S. Committee for Refugees and Immigrants, Women's Commission for Refugee Women and Children, and WorId Relief, the International Rescue Committee, and the PEN American center.

I urge my colleagues to support this legislation in order to keep the faith with those many brave Iraqis whose lives are in jeopardy because of their association with our forces in Iraq.

I ask unanimous consent that the letters of suport be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REFUGEE COUNCIL USA,
Washington, DC, June 13, 2007.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of a diverse coalition of human rights, faith-based and refugee advocacy organizations around the country, we write to express our support for your legislation addressing the Iraqi refugee crisis unfolding in the Middle East Region.

As you know over two million refugees from Iraq are struggling to survive ound the region, and an additional two million are displaced within the country. Forced to flee because they practice a disfavored religion, were born into a marginalized minority, or agreed to work in support of the U.S. government, many of these refugees have no access to housing, health care or education. Although many of the refugees had temporary permission to remain in Jordan or Syria, they have now overstayed their visas to avoid desperate conditions back in Iraq. These refugees live in constant fear of being forcibly returned to Iraq, where they face death threats and further persecution. Many have already lost spouses, children and siblings to kidnappings and executions.

Although aware of this crisis, the United States has thus far failed to take the meaningful steps necessary to provide protection to these refugees and internally displaced persons. Your legislation is a welcome step in addressing the pressing protection needs of Iraqis.

Of particular concern to the United States are the men, women and children who face targeted persecution from insurgents due to their association with U.S. coalition forces—individuals who served as translators, drivers, doctors, and other contractors and employees of the United States, U.S. allies, and international NGOs serving in the region. The United States has a responsibility to provide protection for individuals who have put their lives on the line for the United States and who are consequently facing persecution due to this association. Your legislation commits the U.S. government to provide support and protection to Iraqi refugees and internally displaced persons in the rygion. In doing so it recognizes our nation's longstanding tradition of extending protection to people who are targeted because of their political opinions, ethnicity, or religion, among other reasons. As a result, we stand in support of this important effort.

Sincerely,

C. RICHARD PARKINS,
Chair, Refugee Council USA.

On behalf of the following organizations:

Sarnata Reynolds, Refugee Program Director, Amnesty International USA.

Radwan Khoury, Executive Director and COO, Arab-American and Chaldean Council.

Joseph Kassab, Executive Director, Chaldean Federation of America.

Joseph Roberson, Director, Church World Service/lmmigration and Refugee Program.

C. Richard Parkins, Director, Episcopal Migration Ministries.

Tsehaye Teferra, President, Ethiopian Community Development Council.

Gideon Aronoff, President & CEO, Hebrew Immigrant Aid Society (HIAS).

Elisa Massimino, Washington Director, Human Rights First.

Robert Carey, Vice President, Resettlement, International Rescue Committee.

Fr. Kenneth Gavin, S.J., National Director, Jesuit Refugee Service/USA

Ann Buwalda, Executive Director, Jubilee Campaign USA.

Ralston H. Deffenbaugh, Jr., President, Lutheran Immigration and Refugee Service.

Mark Franken, Executive Director, Migration & Refugee Services/United States Conference of Catholic Bishops.

Doua Thor, Executive Director, Southeast Asia Resource Action Center.

Lavinia Limón, President & CEO, U.S. Committee for Refugees and Immigrants.

Carolyn Makinson, Executive Director, Women's Commission for Refugee Women and Children.

Stephan Bauman, Senior Vice President, Programs World Relief.

JUNE 8, 2007.

Senator Edward M. Kennedy,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY, I am writing to endorse your legislation to address the rapidly escalating crisis of Iraqi refugees and internally displaced persons (IDPs). We applaud your bold effort to provide a comprehensive framework to meet the growing needs of Iraq's two million internally displaced and the two million refugees in the region.

Refugees International believes that the United States has a special obligation to Iraqi refugees. This is the fastest growing refugee crisis in the world, and your legislation will bring greatly needed change in American policy, which has been too slow in its response to this humanitarian crisis. Currently, the Office of the United Nations High Commissioner for Refugees (UNHCR) estimates that near two million Iraqis have fled their homes and moved to other parts of Iraq to escape sectarian conflict, political reprisals and the insecurity that is increasingly prevalent in south and central Iraq. In addition, UNHCR estimates that another 2.2 million Iraqis have left the country to find refuge throughout the Middle East.

While Syria and Jordan have been generous to refugees and deserve international

recognition for accepting them in large numbers, the burdens of the large refugee population are an increasing strain on their societies and economies. It is clear that the rapidly escalating refugee and IDP populations are not only grave humanitarian concern, but also a security concern for the region. The Iraq Study Group. among others, highlighted the destabilizing effect the escalating refugee crisis may have, and called upon the United States to take the lead in providing assistance to the refugees.

Your legislation is a greatly needed effort to address this crisis and ensure that the United States take the lead in accepting responsibility for providing safety and security for greater numbers of Iraqi refugees and IDPs. It is abundantly clear that we need to create a P–2 category for Iraqis closely associated with our effort in Iraq. Likewise, the expansion of the Special Immigrant Visa program keeps faith with those who have worked most closely with our government. The bill's requirement for in country processing of refugees is absolutely essential to enable persons with credible fears of persecution to more effectively and expeditiously begin the process of seeking refugee status in Iraq.

Refugees International is presently conducting its third mission to Iraq and the region since last November and has found that the refugees are increasingly dispirited and desperate for assistance. We will strongly encourage the Senate to approve your legislation as an essential step to address this growing crisis and allow the U.S. to fulfill its share of the responsibility for assistance and protection for Iraqi refugees.

Sincerely,

KEN H. BACON,
President.

INTERNATIONAL RESCUE COMMITTEE,
New York, NY, June 6, 2007.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR TED: On behalf of the International Rescue Committee (IRC). I write in support of the legislation you are introducing today to address the critical issue of Iraqi refugees and internally displaced persons.

As you know, the Iraqi refugee crisis represents the greatest displacement of people in the Middle East in nearly 60 years, with more than two million Iraqis living as refugees in neighboring countries and another two million internally displaced within their own borders. To date, the U.S. response has failed to reflect the magnitude of the crisis.

As both an international aid organization and a U.S. refugee resettlement agency, the IRC has long advocated for a comprehensive U.S. response to the Iraqi refugee crisis that addresses the essential components of humanitarian assistance, protection in the region, and the admission to the U.S. of vulnerable Iraqis. Your legislation takes such a comprehensive approach.

We believe strongly in a humanitarian aid package that addresses the shelter, health, nutrition, education, and general protection needs of both the refugees and the internally displaced. We also support increased opportunities for the admission to the United States of Iraqis at risk because of association with Americans or because they are from religious, ethnic, minority, or other communities at special risk. While admission to the United States as refugees or special immigrants will be available to only a small fraction of vulnerable Iraqis, these options will save lives and will help convince host countries to keep their doors open.

We thank you for your continued leadership in U.S. refugee protection, and we look forward to working with you to help ensure the enactment of this critical legislation.

Sincerely,

GEORGE RUPP.

PEN AMERICAN CENTER,
June 11, 2007.

Senator EDWARD KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY, We are writing on behalf of the 3,400 members of PEN American Center to express our continuing gratitude for your efforts to address the Iraqi refugee crisis, and to offer our strong support for the Refugee Crisis in Iraq Act.

PEN American Center is the largest of 144 centers of International PEN, the worldwide association of writers that strives to protect writers and freedom of expression and promote the free exchange of literature and ideas around the globe. In keeping with this mission, for nearly two years PEN has been working to resettle Iraqi translators, journalists, and writers who have been targeted for death and forced into hiding in Iraq or neighboring countries for their efforts build a safe, free, and open society in Iraq. Thanks largely to our colleagues at Norwegian PEN, a handful of these men and women and their families have found safe havens in northern Europe. But to date, despite the extreme sacrifices so many Iraqis made to help Americans navigate the political and social realities of their country and encourage their fellow citizens to reject violence and extremism and support a pluralistic Iraq, we have not yet successfully assisted a single one of our colleagues in reaching the United States.

In recent months, as the world has come to recognize the magnitude of the refugee crisis in Iraq, the United States government has taken some important steps to open the way for a limited number of Iraqi refugees to be resettled in this country. With assistance from the U.S. Department of State, a small number of those on whose behalf PEN has been working have been screened by the United Nations High Commission for Refugees in Syria and referred to the United States for resettlement. But the process is complicated, protracted, and at times hostile. Forbidden from working in Syria, they have exhausted their financial resources long before the process will be completed, and those who had the closest associations with Coalition Forces and U.S. contractors have found that the stigma of ''collaborators'' has followed them across the border. Even so, these are the extremely fortunate few. No avenue whatsoever exists for their counterparts still in Iraq to seek refugee resettlement or relief. Even translators who served honorably as interpreters for U.S. forces, sustained serious combat wounds, survived assassination attempts, and live in constant fear they will be recognized and killed have no access to refugee processing inside Iraq.

The Refugee Crisis in Iraq Act directly addresses several of these glaring inadequacies in our country's current approach to the Iraqi refugee crisis. Taking particular note of the United States' obligation to those who worked with and are therefore endangered by their association with U.S.-based organizations and institutions, it significantly expands the numbers of Iraqis to be resettled in the United States and creates direct, efficient mechanisms for Iraqis to petition for resettlement. It expands and streamlines the Special Immigrant visa program for Iraqi and Afghan translators and interpreters, and creates a new P-2 visa category for Iraqi refugees of special humanitarian concern, a category that includes Iraqi writers, journalists, and media workers who worked with and for U.S.-based media organizations in Iraq. Perhaps most significantly, it requires the United States to establish direct visa processing outside the UNHCR system in neighboring countries and, for the first time, inside Iraq. We strongly support these proposals.

How history views the United States' intervention in Iraq will be colored in part by how we respond to the needs of those who took great risks to try to build a new Iraq and who fear for their lives as a result. PEN is grateful for your leadership in pressing the United States to act on its responsibilities to the growing number of Iraqi refugees, and we are honored to endorse this important legislation.

Sincerely,

FRANCINE PROSE,
President.
LARRY SIEMS,
Director,

HUMAN RIGHTS FIRST
June 14, 2007.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY: I write to express Human Rights First's support of your bipartisan legislation, ''The Refugee Crisis in Iraq Act.'' By extending a lifeline to some of Iraq's most vulnerable refugees and displaced people, your bill would begin to fulfill the moral obligation of the United States to protect Iraqi refugees and provide critical assistance to countries that are already sheltering so many Iraqis in the region. We urge swift passage of this important legislation.

Historically, the United States has led the world in efforts to protect and resettle vulnerable refugees, admitting more than 2.6 million refugees since 1975. In the closing days of the Vietnam War, the United States airlifted more than 131,000 Vietnamese whose close ties to the U.S. effort put them at risk of persecution. In 1999, the United States resettled 14,000 Kosovars whose ethnicity made them vulnerable to persecution.

The United States is justifiably proud of this strong tradition of providing refuge to the persecuted and assistance to those displaced by war. Yet the administration's response to the Iraqi refugee situation fails utterly to match the scale and urgency of the current crisis. As we mark World Refugee Day next week, the United States will have resettled only 272 Iraqi refugees here since 2006.

This must change. Since 2003, more than 2.2 million Iraqis have fled violence and persecution in their homeland. Many have been targeted because of their work for the United States or with U.S. organizations. Others have been targeted because of their ethnicity or religion. Those who have fled to Jordan and Syria are living in dire conditions. Many are at risk of exploitation, detention, and deportation. They lack access to medical treatment, education for their children, food, and a means of supporting their families. As this crisis grows, the protection of refugees, the institution of asylum, and the stability of the region are all at risk.

With every day, the situation of Iraqi refugees in the region and of those displaced inside Iraq grows more urgent. It is past time for the United States to lead the international community in addressing this crisis in a comprehensive manner. The United States should begin by swiftly providing safe haven to those at risk because of their work with the United States or with U.S. organizations. In addition, the United States should create an ambitious and aggressive resettlement program to take in other refugees who have been forced to flee from Iraq. Finally, the United States must significantly increase aid to countries in the region that now play host to millions of refugees, in

order to ensure adequate care for these refugees and to encourage these neighboring countries to continue to provide asylum to those who flee in search of refuge.

We believe the United States has a moral obligation to provide a meaningful solution to the Iraqi refugee crisis. Your bill is a vital step towards addressing this growing and complex crisis. As always, we are grateful for your leadership on this issue, and we look forward to working with you to ensure swift passage of this important legislation.

Sincerely,

ELISA MASSIMINO,
Director of the Washington, DC, Office.

Mr. LEAHY. Mr. President, I am pleased to join Senators KENNEDY, SMITH, LEVIN, HAGEL, BIDEN, and LIEBERMAN to introduce this important legislation. In January of this year, the Judiciary Committee held a hearing to examine the plight of Iraq's refugees, during which we heard from the State Department, the United Nations High Commissioner for Refugees, nongovernmental organizations and individuals, and Iraqi citizens who had been targeted for assisting the United States. This hearing brought the enormity of the Iraq refugee situation into sharp focus and made clear that we must do more to address this crisis and provide assistance especially to those Iraqis who have assisted the United States with its mission. If enacted, this bill would help the United States fulfill the promises it has made to the people of Iraq.

In February of this year, the Bush administration announced that 7,000 Iraqi refugees would be permitted to enter the United States in 2007. Over the last 8 months, however, only 70 Iraqis have been allowed into the United States as refugees. Each year there are 20,000 unallocated slots for refugees that could be applied to Iraq, and an additional 5,000 for the Middle East. Yet the Department of Homeland Security has admitted approximately 700 Iraqis since the war began in 2003. We have an obligation to do better than this when an estimated 4 million Iraqis have been displaced within Iraq or have fled the country due to our involvement there. And we have a special obligation to do all we can for those Iraqis who have made tremendous sacrifices on behalf of the United States and who continue to live under the threat of torture and death.

Refugees International has called the Iraq refugee crisis the fastest growing refugee crisis in the world. It is estimated that nearly 2 million Iraqis have been internally displaced, while another 2 million have fled the country, with little more than they could carry. With this bill, we show our commitment not to repeat the tragic and immoral mistake from the Vietnam era and leave friends without refuge and subject to violent reprisals.

The United States has an obligation to the people of Iraq, and especially to those who have assisted the American military in its efforts there. When an Iraqi man or woman makes the choice to help the United States—whether as an interpreter or in some other role—and puts his or her life on the line, the United States bears a special responsibility to do what it can to reciprocate the loyalty that so many Iraqis have shown us.

The bill we introduce today will create a new P2 category for Refugees of Special Humanitarian Concern. Individuals who have assisted the United States, or who have worked for a company, NGO, or other entity that has received a grant or contract from the U.S. Government would be eligible for status as a refugee of special humanitarian concern. In order to implement this new program, the legislation would direct the establishment of consular processing facilities in Iraq to expedite the resettlement process for those Iraqis and their immediate families who qualify under the bill for special relief.

The bill also sets up a special immigrant visa category for individuals who have worked as interpreters or translators for the United States for an aggregate of 1 year between 2003 and the present. This new program would augment current efforts to provide protection for those individuals who have assisted the United States by providing interpreter or translation services.

The legislation would also direct the Secretary of State to establish an office of Minister Counselor in the U.S. Embassy in Baghdad. This office would be responsible for overseeing the new programs set up under this bill, and would be the primary point of contact for eligible individuals seeking protection. This official would also have the authority to refer individuals directly to the United States Refugee Resettlement Program. Additionally, parallel Minister Counselor offices would be established in Egypt, Jordan, Syria, and Lebanon to effectuate the P2 refugee program.

The Secretary of State would also be required to work with other nations currently hosting Iraqi refugees in order to provide support and to help ensure the safety and well-being of Iraqis located in countries surrounding Iraq. The legislation would also allow Iraqis who applied for asylum in the United States after 2003, and who were denied based on changed country conditions due to the overthrow of Saddam Hussein, to have those denials reviewed due to the continuing violence and dangerous conditions in the country. This change will allow our laws to reflect the current reality in Iraq.

This legislation will help provide some relief to the brave men and women who have assisted the United States in Iraq, and will help renew the commitment of the United States to the cause of protecting those who turn to us for help. I hope all Senators can join with us in support of the bill we introduce today.

By Mr. KYL:

S. 1654. A bill to prohibit the sale or provision of caller ID spoofing services; to the Committee on the Judiciary.

Mr. KYL. Mr. President, I rise today to introduce a bill that would prohibit the sale or provision of caller ID spoofing services. This bill would enact a legislative proposal that was made by the Justice Department in a letter to members of this committee. To facilitate commentary on this bill, I ask unanimous consent that the text of the bill and a letter from the Justice Department be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1654

Section 1040 of title 18, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

''(a) OFFENSE.—Whoever, using any means or facility of interstate or foreign commerce—

(1) knowingly generates, transmits, or causes to be generated or transmitted—

(i) false caller ID information with intent wrongfully to obtain anything of value; or

(ii) caller ID information pertaining to an actual person or other entity without that person's or entity's consent and with intent to deceive any person or other entity about the identity of the caller; or

(2) knowingly offers, sells, or makes available a service that enables users to modify, generate, or transmit false or misleading caller ID information; or

attempts or conspires to do so, shall be punished as provided in subsection (b).''; and

(2) by adding at the end the following:

''(f) EXCEPTIONS.—Paragraph (a)(2) does not prohibit offering, selling, or making available any such service that transmits, in the signaling data with each call, (1) information sufficient to indicate to the recipient's telephone carrier that the caller ID information is not accurate, (2) if available, the originating telephone number or other information identifying the origin of the call, and (3) the identity of the provider of the service that enabled the user to modify, generate, or transmit the chosen caller ID information.''

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, April 25, 2007.

Hon. PATRICK J. LEAHY,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Department of Justice appreciates the opportunity to provide further comment on H.R. 740, the ''Preventing Harassment Through Outbound Number Enforcement Act'' (''PHONE Act of 2007''). The PHONE Act of 2007 was passed by the U.S. House of Representatives on March 21, 2007 and referred to the Senate, where consideration of the bill is currently pending before the Judiciary Committee. It is the Department's understanding that a substitute amendment will be offered during the Senate Judiciary Committee's consideration of this legislation. This letter reflects DOJ's views toward the amended version of this bill.

As the Department noted in its original comments on the PHONE Act submitted to Chairman Conyers on February 5, 2007, we support Congressional action to give law enforcement better tools to protect our citizens and our country from identity thieves, stalkers, and other criminals. In the February 5th letter, the Department of Justice made a number of recommendations to strengthen the bill, many of which were adopted. Those changes have made the PHONE Act a more effective tool for combating threats such as identity theft, preying on the elderly, and the thwarting of important, time-sensitive investigations.

Although the PHONE Act is an important step toward addressing caller ID spoofing, the problem needs a solution that addresses not only users of caller ID spoofing, but also the services that make this capability to deceive widely available to the public. Several services today offer users the ability to manipulate information transmitted with a telephone call in order to cause a number of the caller's choosing to appear on the call recipient's caller ID display. Using such a service can be as easy as calling a toll-free number and entering calling card information.

As the Department has described in its testimony before the House of Representatives Subcommittee on Crime, Terrorism, and Homeland Security on the PHONE Act, the widespread availability of caller ID spoofing services poses several problems. First, the recipient of a spoofed call is led to believe that he or she has received the call from someone who did not actually place the call. Numerous such incidents have been reported, including examples of SWAT teams being misled into raiding innocent persons' houses based on 911 calls that incorrectly appeared to have come from the innocent person's home (a practice known as ''SWATting''), businesses being tricked into revealing personal data about the person whose number is spoofed (i.e., enabling ''pretexting''), and harassing calls being placed using the phone number of a political candidate in order to anger voters against that candidate.

The PHONE Act does not currently address these caller ID spoofing services that make it easy for anyone with a telephone to spoof caller ID. Simply criminalizing the use of spoofing capabilities for criminal or fraudulent purposes would not sufficiently diminish the availability of spoofing services. Because the use of caller ID spoofing is particularly hard to investigate and to prosecute, to address this problem effectively, Congress should also address the providers who make this capability widely available.

We have included recommended edits to section 2 of the bill in order to address caller ID spoofing services that do not at least notify call recipients that the caller ID information has been modified (attached hereto as Appendix A). We also suggest that Congress consider whether this legislation should contain an explicit exemption for entities complying with existing Federal regulations such as the Telemarketing Sales Rule that allow the substitution of caller ID information for limited purposes.

The Department appreciates the Committee's leadership in ensuring that our country's laws meet this new challenge. Thank you for the opportunity to comment on the bill and for your continuing support.

The Office of Management and Budget has advised that there is no objection to the presentation of these views from the standpoint of the Administration's program. If we may be of additional assistance, please do not hesitate to contact this office.

Sincerely,

RICHARD A. HERTLING,
Acting Assistant Attorney General.

By Mr. KENNEDY (for himself, Mrs. MURRAY, and Mr. BYRD):

S. 1655. A bill to establish improved mandatory standards to protect miners during emergencies, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, last year, the Nation was stunned by the terrible tragedies at the Sago, Alma, and Darby mines. Those disasters exposed the many failures in our laws on mine safety and mine health, and made clear that it is essential to bring these protections into the modern world.

Last year, Congress came together to take a vital step toward protecting the Nation's miners with the passage of the MINER Act, which addressed critical lapses in mine safety and accident response, but advances in scientific research and technological development show us that there is much more to be done. In part through the new scrutiny that is taking place under the MINER Act, we have learned a great deal more about what puts miners in danger and how to prevent it.

We need to begin to address these other pressing safety and health needs. That is why today I am introducing the Miner Health and Safety Enhancement Act of 2007.

There is much we can do in the area of mine safety emergencies to increase miners' chances of survival, and this legislation encourages the development of technologies to do so. It requires stronger seal barriers to protect miners from explosions in hazardous mining areas. It also requires mine companies to adopt more sophisticated communications technology to stay in touch with miners underground, and to install rescue chambers to protect miners in the event of an explosion or fire.

The bill does more to eliminate dangerous conditions in mines before they harm miners, by banning the unsafe practice of ventilating mines in the same passageway as coal-dust laden conveyor belts. This practice, unfortunately, has been approved by the Bush administration, and it contributed to the tragic fire at Alma mine last year.

Other reforms are essential as well. Establishing a national call center can quickly coordinate emergency information and enhance mine rescue and recovery operations. To see that accident investigations are objective and thorough, the legislation requires an independent investigation to be conducted if miners or their families ask for one.

Successful prevention depends also on the willingness of miners to tell the truth about their working conditions. Safeguards are needed to allow them to speak out about on-the-job hazards without fearing for their jobs. The bill establishes an independent ombudsman, so miners' safety complaints can be heard and fully addressed, without jeopardizing miners who blow the whistle on job hazards.

Tragically, we continue to see miners developing symptoms of black lung disease and other deadly respiratory illnesses of the past. To protect them, the bill requires operators to provide miners with personal dust monitors developed and certified by the National Institute of Occupational Safety and Health. To make underground air safer, the bill adopts the Institute's levels for exposure to coal dust, silica dust, and other air contaminants. It also adopts the higher OSHA standard for asbestos. We cannot continue to allow miners to work without the protection of these important health standards.

Mining is an essential industry, and the nation's miners deserve the safest possible working conditions. We have a responsibility to see that our mine safety laws make our mines the safest and healthiest in the world. America's miners deserve no less. I urge my colleagues to support the Mine Health and Safety Enhancement Act of 2007.

Mr. BYRD. Mr. President, I am pleased to cosponsor the Miner Health and Safety Enhancement Act of 2007.

It is critical that the Congress continue to review the statutory safeguards for our Nation's coal miners. I want to do everything I can to encourage that effort.

Given reports recently about alarmingly aggressive cases of black lung around southern West Virginia, the Congress ought to seriously consider new standards for dust monitoring and control. I also support the bill's language requiring the installation of atmospheric monitoring systems in underground coal mines and requiring the Mine Safety and Health Administration, MSHA, to randomly test emergency breathing devices every 6 months.

I also very much support provisions in the bill that would clarify the intentions of the MINER Act and require the Department of Labor to issue regulations mandating the installation of refuge chambers and restricting the use of belt-air ventilation.

These are all good initiatives and something that the Congress should be advocating to ensure safer working conditions for miners. Nevertheless, I do have reservations about some of the provisions in the Miner Health and Safety Enhancement Act, which I hope can be addressed before the Senate Health, Education, Labor, and Pensions, HELP, Committee takes any action on this legislation.

The MINER Act that the Congress passed last year set a deadline requiring coal operators to install wireless emergency communications and tracking equipment by June 2009. In order to meet this deadline, the Congress appropriated $23 million through the fiscal year 2008 for NIOSH to expedite its research of emergency communications and tracking.

It is important that the Congress adhere closely to that schedule. To suddenly rewrite it, mandating the installation of technologies before NIOSH has completed its research, could undermine the intentions of the MINER Act and complicate the efforts of MSHA and the Congress to ensure timely compliance. Let us not revisit timelines that have already been resolved and where implementation has already begun. It is better for the Congress to hold operators to the schedule outlined in the MINER Act and to allow NIOSH to perform the critical research that has already been mandated and funded.

The Congress should continue to exercise its oversight function to ensure rapid implementation of the MINER

Act and also to review non-MINER Act priorities to ensure statutory safeguards are adequate. I proudly join the sponsors of this bill in that endeavor.

By Ms. SNOWE (for herself and Mr. KERRY):

S. 1656. A bill to authorize loans for renewable energy systems and energy efficiency projects under the Express Loan Program of the Small Business Administration; to the Committee on Small Business and Entrepreneurship.

Ms. SNOWE. Mr. President, as Ranking Member of the Senate Committee Small Business and Entrepreneurship, I rise today with Senator KERRY to introduce the Small Business Energy Efficiency Act of 2007. The energy debate now underway in this body is a positive initial step for our country, but it is only a first step. Frankly, America must become more innovative and invest in infrastructure that provides a lifetime of savings, both for its citizens and our global neighbors.

This year the Senate Committee on Small Business and Entrepreneurship, of which I am the Ranking Member, has paid particular attention to the effects of climate change and escalating fuel costs on small businesses, and the role America's entrepreneurs can play in affecting change in these areas. Chairman KERRY and I have already devoted two hearings during the 110th Congress to these subjects. Clearly, rising gas prices and global warming are having a devastating affect on the health of small business in this country.

As we all know, small business is the backbone of our Nation's economy. As the leading Republican on the Small Business Committee and as a longstanding steward of the environment, I firmly believe that small business has a pivotal role to play in finding a solution to global climate change. According to a recent survey conducted by the National Small Business Association, 75 percent of small businesses believe that energy efficiency can make a significant contribution to reducing greenhouse gas emissions. And yet, only 33 percent of those had successfully invested in energy efficiency programs for their businesses.

We need to significantly improve energy efficiency investment by small businesses. To that end, our measure will ensure that the SBA completes its requirements under the Energy Policy Act of 2005. Within 90 days of enactment, the SBA, through a final rulemaking, would be required to complete all of its requirements under the Energy Policy Act, including setting up a Energy Clearinghouse that builds on the Environmental Protection Agency's Energy Star program.

Our bill would also create the position of Assistant Administrator for Small Business Energy Policy within the SBA. The duties of this position include: 1. the oversight and administration the Small Business Energy Clearinghouse Program; and 2. the promotion of energy efficiency efforts and the reduction of energy costs for small businesses.

It would also create a Small Business Energy Efficiency Pilot Grant Program. This pilot, competitive grant program would be administered through the national network of Small Business Development Centers, SBDCs, which would provide ''energy audits'' to small businesses to enhance their energy efficiency practices, as well as providing access to information and resources on energy efficiency practices. These practices would include ''on-bill financing'' options.

Our bill would also encourage innovation in energy efficiency. Federal agencies shall give priority to Small Business Innovation Research, SBIR, and Small Business Technology Transfer, STTR, program solicitations by small businesses that participate in or conduct energy efficiency or renewable energy system research and development. The SBA will issue guidelines to assist Federal agencies and departments in determining whether priority has been given.

Finally, our bill would make the SBA's Express Loan Program available to small businesses who wish to purchase renewable energy systems or make energy efficiency improvements to their existing businesses. I firmly believe that the SBA Express Loan will be an attractive option to small business owners looking to make their businesses more energy efficient and environmentally sound because of the program's quick turnaround time and the ability of participating lenders to use their own forms and procedures for approval. Furthermore, lenders and borrowers can negotiate the interest rate, which can result in more favorable terms for a small business owner. The Express Program is the most widely used of SBA's loan products, representing 69 percent of all loans made. In fact, the SBA Express lender network is made up of almost 2,000 financial institutions nationwide.

Many small businesses are already leading the charge in combating global warming. For instance, in my home state of Maine, Oakhurst Dairy, an 86-year-old business, recently announced that it has converted its fleet of over 100 trucks and trailers to a bio-diesel fuel blend. Oakhurst's President Stanley Bennett sent me a letter stating: ''We firmly believe that doing the right thing environmentally is almost always the right thing to do for your business.'' It is my hope that our bill will spur more small firms to make the same investment in the environment and their businesses.

As we engage in this debate, we must remain mindful that potential solutions must fully consider the economic realities facing small businesses. According to the SBA Office of Advocacy, compliance with environmental regulations costs 364 percent more in small businesses than in larger businesses. So, in developing solutions Senator KERRY and I have worked to ensure that small businesses possess a range of cost-effective alternatives and have avoided a one-sized-fits-all approach.

In conclusion, this bipartisan measure will enable small businesses to play a leading role in combating global climate change. Assisting small firms in this regard will not only help the environment, but will also significantly lower the energy costs for cash-strapped small businesses.

By Mr. KERRY (for himself and Ms. SNOWE):

S. 1657. A bill to establish a small business energy efficiency program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, in March of this year, I convened a hearing in the Committee on Small Business and Entrepreneurship to look at what small businesses can do to confront global warming. In February, the Intergovernmental Panel on Climate Change put forward a report that has been referred to as ''the smoking gun'' on global warming, written by more than 600 scientists, reviewed by another 600 experts, and edited by officials from 154 governments, the report provides indisputable evidence that the ice caps are melting, the sea level is rising, and the earth's surface is heating up at an alarming and potentially catastrophic rate.

Senator SNOWE and I have worked together on a number of initiatives to combat global warming, including introducing the Global Warming Reduction Act of 2007, an effort to reduce greenhouse gas emissions by 65 percent by the year 2050. Today, we continue this partnership as chairman and ranking member of the Committee on Small Business and Entrepreneurship by introducing the Small Business Energy Efficiency Act of 2007.

There are nearly 26 million small businesses in this country, nearly 26 million business owners that are focused on keeping their doors open and putting food on the table for their families. And while climate change and national energy security sometimes seem like distant threats compared to rising health care costs and staying competitive in an increasingly global economy, small business owners are telling us that energy costs are indeed a concern. The National Small Business Association recently conducted a poll of its members, asking how energy prices affected their business decisions. Seventy-five percent said that energy prices had at least a moderate effect on their businesses, with roughly the same number saying that reducing energy costs would increase their profitability. Despite these numbers, only 33 percent have invested in energy efficient programs.

The Environmental Protection Agency estimates that small businesses consume roughly 30 percent of the commercial energy consumed in this country, that is roughly 2 trillion kBtu of

energy per year, and it is costing small business concerns approximately $29 million a year. Through efforts to increase energy efficiency, small businesses can contribute to America's energy security, help to combat global warming, and add to their bottom line all at the same time.

The Small Business Energy Efficiency Act of 2007 seeks to assist small business owners in doing all of these things. First, the bill requires the Small Business Administration, SBA, to implement an energy efficiency program that was mandated in the 2005 Energy Policy Act. To date, the SBA has dragged its feet in implementing a program that could help small business owners to become more energy efficient. Administrator Preston should implement this important program today, and this bill directs him to do so.

Second, the bill establishes a program to increase energy efficiency through energy audits at Small Business Development Centers, SBDCs. The Pennsylvania SBDC currently operates a similar program, and has successfully assisted hundreds of businesses to become more energy efficient. As a result of the program, six of the eight winners of the 2006 ENERGY STAR Small Business Awards given by the EPA went to Pennsylvania businesses. This program should be replicated so that small businesses across the country have the same opportunity to cut energy costs through the efficiency measures.

In addition, this bill authorizes the Administrator to guarantee on-bill financing agreements between businesses and utility companies, to cover a utility company's risk in entering into such an agreement. The federal government should encourage utility companies to pursue these agreements with businesses, where an electric utility will cover the up-front costs of implementing energy efficiency measures, and a business will repay these costs through the savings realized in their energy bill.

This bill also encourages telecommuting through a pilot program at SBA. The Administrator is authorized to establish a program that produces educational materials and performs outreach to small businesses on the benefits of telecommuting.

Finally, the bill encourages increased innovation by providing a priority status within the SBIR and STTR programs that ensures high priority be given to small business concerns participating in energy efficiency or renewable energy system research and development projects.

As a Nation, we have much to do to secure our future energy supply and to solve the international crisis that is global warming. This bill represents one step in that process—to engage our small business owners in this effort, and to assist them in becoming more aware of what is possible. I urge my colleagues to support this bill, and I thank Senator SNOWE for her work in this area.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Small Business Energy Efficiency Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS.

Congress finds that:

(1) Small business concerns represent roughly 50 percent of the economy of the United States, employing 50 percent of all private sector employees, and producing more than 50 percent of nonfarm private gross domestic product.

(2) The Environmental Protection Agency estimates that, based on data from the 2003 Commercial Buildings Energy Consumption Survey of the Department of Energy, small business concerns consume roughly 2,000,000,000,000 kBtu of energy per year, costing small business concerns approximately $29,000,000,000.

(3) The Environmental Protection Agency estimate does not include additional energy that is used by small business concerns located outside of commercial buildings, such as home-based small business concerns. Additional, peer-reviewed research studies must be conducted to assess the amount of energy consumed by small business concerns.

(4) A recent survey conducted by the National Small Business Association revealed that 75 percent of small business concerns believe that energy efficiency can make a significant contribution to reducing greenhouse gas emissions. And yet, only 33 percent of those small business concerns had successfully invested in energy efficiency programs for their businesses.

(5) Small business concerns have demonstrated that they are capable of achieving realistic energy consumption reductions of 30 percent as a result of implementing the recommendations of targeted energy audits. These reductions have been demonstrated by clients of the Pennsylvania Small Business Development Centers and are supported by the national experience of the ENERGY STAR Small Business program of the Environmental Protection Agency.

(6) Small business concerns are a source for the technological innovations at the heart of the effort to find a solution to the challenge of climate change and to establish energy independence for the United States.

(7) On-bill financing arrangements, involving small business concerns, utilities, banks, and certified energy efficiency professionals, have demonstrated success in reducing energy usage by small business concerns across the country, and greater use of on-bill financing agreements should be encouraged.

(8) Telecommuting represents an established method for reducing fuel consumption, and information regarding the benefits of telecommuting should be made available to owners of small business concerns.

SEC. 3. DEFINITIONS.

In this Act—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term ''association'' means the association of small business development centers established under section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A));

(3) the term ''disability'' has the meaning given that term in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

(4) the term ''electric utility'' has the meaning given that term in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602);

(5) the term ''on-bill financing'' means a low interest or no interest financing agreement between a small business concern and an electric utility for the purchase or installation of equipment, under which the regularly scheduled payment of that small business concern to that electric utility is not reduced by the amount of the reduction in cost attributable to the new equipment and that amount is credited to the electric utility, until the cost of the purchase or installation is repaid;

(6) the term ''small business concern'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 636);

(7) the term ''small business development center'' means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648);

(8) the term ''telecommuting'' means the use of telecommunications to perform work functions under circumstances which reduce or eliminate the need to commute; and

(9) the term ''veteran'' has the meaning given that term in section 101 of title 38, United States Code.

SEC. 4. IMPLEMENTATION OF SMALL BUSINESS ENERGY EFFICIENCY PROGRAM.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Administrator shall promulgate final rules establishing the Government-wide program authorized under subsection (d) of section 337 of the Energy Policy and Conservation Act (42 U.S.C. 6307) that ensure compliance with that subsection by not later than 6 months after such date of enactment.

(b) PLAN.—Not later than 90 days after the date of enactment of this Act, the Administrator shall publish a detailed plan regarding how the Administrator will—

(1) assist small business concerns in becoming more energy efficient; and

(2) build on the Energy Star for Small Business Program of the Department of Energy and the Environmental Protection Agency.

(c) ASSISTANT ADMINISTRATOR FOR SMALL BUSINESS ENERGY POLICY.—

(1) IN GENERAL.—There is in the Administration an Assistant Administrator for Small Business Energy Policy, who shall be appointed by, and report to, the Administrator.

(2) DUTIES.—The Assistant Administrator for Small Business Energy Policy shall—

(A) oversee and administer the requirements under this section and section 337(d) of the Energy Policy and Conservation Act (42 U.S.C. 6307(d)); and

(B) promote energy efficiency efforts for small business concerns and reduce energy costs of small business concerns.

(d) REPORTS.—The Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the

Committee on Small Business of the House of Representatives an annual report on the progress of the Administrator in encouraging small business concerns to become more energy efficient, including data on the rate of use of the Small Business Energy Clearinghouse established under section 337(d)(4) of the Energy Policy and Conservation Act (42 U.S.C. 6307(d)(4)).

SEC. 5. SMALL BUSINESS ENERGY EFFICIENCY.

(a) AUTHORITY.—The Administrator shall establish a Small Business Energy Efficiency Pilot Program (in this section referred to as the ''Efficiency Pilot Program'') to provide energy efficiency assistance to small business concerns through small business development centers.

(b) SMALL BUSINESS DEVELOPMENT CENTERS.—

(1) IN GENERAL.—In carrying out the Efficiency Pilot Program, the Administrator shall enter into agreements with small business development centers under which such centers shall—

(A) provide access to information and resources on energy efficiency practices, including on-bill financing options;

(B) conduct training and educational activities;

(C) offer confidential, free, one-on-one, in-depth energy audits to the owners and operators of small business concerns regarding energy efficiency practices;

(D) give referrals to certified professionals and other providers of energy efficiency assistance who meet such standards for educational, technical, and professional competency as the Administrator shall establish; and

(E) act as a facilitator between small business concerns, electric utilities, lenders, and the Administration to facilitate on-bill financing arrangements.

(2) REPORTS.—Each small business development center participating in the Efficiency Pilot Program shall submit to the Administrator and the Administrator of the Environmental Protection Agency an annual report that includes—

(A) a summary of the energy efficiency assistance provided by that center under the Efficiency Pilot Program;

(B) the number of small business concerns assisted by that center under the Efficiency Pilot Program;

(C) statistics on the total amount of energy saved as a result of assistance provided by that center under the Efficiency Pilot Program; and

(D) any additional information determined necessary by the Administrator, in consultation with the association.

(3) REPORTS TO CONGRESS.—Not later than 60 days after the date on which all reports under paragraph (2) relating to a year are submitted, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report summarizing the information regarding the Efficiency Pilot Program submitted by small business development centers participating in that program.

(c) ELIGIBILITY.—A small business development center shall be eligible to participate in the Efficiency Pilot Program only if that center is certified under section 21(k)(2) of the Small Business Act (15 U.S.C. 648(k)(2)).

(d) SELECTION OF PARTICIPATING STATE PROGRAMS.—

(1) GROUPINGS.—

(A) SELECTION OF PROGRAMS.—The Administrator shall select the small business development center programs of 2 States from each of the groupings of States described in subparagraphs (B) through (K) to participate in the pilot program established under this section.

(B) GROUP 1.—Group 1 shall consist of Maine, Massachusetts, New Hampshire, Connecticut, Vermont, and Rhode Island.

(C) GROUP 2.—Group 2 shall consist of New York, New Jersey, Puerto Rico, and the Virgin Islands.

(D) GROUP 3.—Group 3 shall consist of Pennsylvania, Maryland, West Virginia, Virginia, the District of Columbia, and Delaware.

(E) GROUP 4.—Group 4 shall consist of Georgia, Alabama, North Carolina, South Carolina, Mississippi, Florida, Kentucky, and Tennessee.

(F) GROUP 5.—Group 5 shall consist of Illinois, Ohio, Michigan, Indiana, Wisconsin, and Minnesota.

(G) GROUP 6.—Group 6 shall consist of Texas, New Mexico, Arkansas, Oklahoma, and Louisiana.

(H) GROUP 7.—Group 7 shall consist of Missouri, Iowa, Nebraska, and Kansas.

(I) GROUP 8.—Group 8 shall consist of Colorado, Wyoming, North Dakota, South Dakota, Montana, and Utah.

(J) GROUP 9.—Group 9 shall consist of California, Guam, American Samoa, Hawaii, Nevada, and Arizona.

(K) GROUP 10.—Group 10 shall consist of Washington, Alaska, Idaho, and Oregon.

(e) MATCHING REQUIREMENT.—Subparagraphs (A) and (B) of section 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4)) shall apply to assistance made available under the Efficiency Pilot Program.

(f) GRANT AMOUNTS.—Each small business development center selected to participate in the Efficiency Pilot Program under subsection (d) shall be eligible to receive a grant in an amount equal to—

(1) not less than $100,000 in each fiscal year; and

(2) not more than $300,000 in each fiscal year.

(g) EVALUATION AND REPORT.—The Comptroller General of the United States shall—

(1) not later than 30 months after the date of disbursement of the first grant under the Efficiency Pilot Program, initiate an evaluation of that pilot program; and

(2) not later than 6 months after the date of the initiation of the evaluation under paragraph (1), submit to the Administrator, the Committee on Small Business and Entrepreneurship of the Senate, and the Committee on Small Business of the House of Representatives, a report containing—

(A) the results of the evaluation; and

(B) any recommendations regarding whether the Efficiency Pilot Program, with or without modification, should be extended to include the participation of all small business development centers.

(h) GUARANTEE.—The Administrator may guarantee the timely payment of a loan made to a small business concern through an on-bill financing agreement on such terms and conditions as the Administrator shall establish through a formal rule making, after providing notice and an opportunity for comment.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

(A) $5,000,000 for the first fiscal year beginning after the date of enactment of this Act; and

(B) $5,000,000 for each of the 3 fiscal years following the fiscal year described in subparagraph (A).

(2) LIMITATION ON USE OF OTHER FUNDS.—The Administrator may carry out the Efficiency Pilot Program only with amounts appropriated in advance specifically to carry out this section.

(j) TERMINATION.—The authority under this section shall terminate 4 years after the date of disbursement of the first grant under the Efficiency Pilot Program.

SEC. 6. SMALL BUSINESS TELECOMMUTING.

(a) PILOT PROGRAM.—

(1) IN GENERAL.—In accordance with this section, the Administrator shall conduct, in not more than 5 of the regions of the Administration, a pilot program to provide information regarding telecommuting to employers that are small business concerns and to encourage such employers to offer telecommuting options to employees (in this section referred to as the ''Telecommuting Pilot Program'').

(2) SPECIAL OUTREACH TO INDIVIDUALS WITH DISABILITIES.—In carrying out the Telecommuting Pilot Program, the Administrator shall make a concerted effort to provide information to—

(A) small business concerns owned by or employing individuals with disabilities, particularly veterans who are individuals with disabilities;

(B) Federal, State, and local agencies having knowledge and expertise in assisting individuals with disabilities, including veterans who are individuals with disabilities; and

(C) any group or organization, the primary purpose of which is to aid individuals with disabilities or veterans who are individuals with disabilities.

(3) PERMISSIBLE ACTIVITIES.—In carrying out the Telecommuting Pilot Program, the Administrator may—

(A) produce educational materials and conduct presentations designed to raise awareness in the small business community of the benefits and the ease of telecommuting;

(B) conduct outreach—

(i) to small business concerns that are considering offering telecommuting options; and

(ii) as provided in paragraph (2); and

(C) acquire telecommuting technologies and equipment to be used for demonstration purposes.

(4) SELECTION OF REGIONS.—In determining which regions will participate in the Telecommuting Pilot Program, the Administrator shall give priority consideration to regions in which Federal agencies and private-sector employers have demonstrated a strong regional commitment to telecommuting.

(b) REPORT TO CONGRESS.—Not later than 2 years after the date on which funds are first appropriated to carry out this section, the Administrator shall transmit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing the results of an evaluation of the Telecommuting Pilot Program and any recommendations regarding whether the pilot program, with or without modification, should be extended to include the participation of all regions of the Administration.

(c) TERMINATION.—The Telecommuting Pilot Program shall terminate 4 years after the date on which funds are first appropriated to carry out this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administration $5,000,000 to carry out this section.

SEC. 7. ENCOURAGING INNOVATION IN ENERGY EFFICIENCY.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

''(z) ENCOURAGING INNOVATION IN ENERGY EFFICIENCY.—

''(1) FEDERAL AGENCY ENERGY-RELATED PRIORITY.—In carrying out its duties under this section to SBIR and STTR solicitations by Federal agencies, the Administrator shall—

''(A) ensure that such agencies give high priority to small business concerns that participate in or conduct energy efficiency or renewable energy system research and development projects; and

''(B) include in the annual report to Congress under subsection (b)(7) a determination of whether the priority described in subparagraph (A) is being carried out.

''(2) CONSULTATION REQUIRED.—The Administrator shall consult with the heads of other Federal agencies and departments in determining whether priority has been given to small business concerns that participate in or conduct energy efficiency or renewable energy system research and development projects, as required by this section.

''(3) GUIDELINES.—The Administrator shall, as soon as is practicable after the date of enactment of this subsection, issue guidelines and directives to assist Federal agencies in meeting the requirements of this section.

''(4) DEFINITIONS.—In this subsection—

''(A) the term 'biomass'—

''(i) means any organic material that is available on a renewable or recurring basis, including—

''(I) agricultural crops;

''(II) trees grown for energy production;

''(III) wood waste and wood residues;

''(IV) plants (including aquatic plants and grasses);

''(V) residues;

''(VI) fibers;

''(VII) animal wastes and other waste materials; and

''(VIII) fats, oils, and greases (including recycled fats, oils, and greases); and

''(ii) does not include—

''(I) paper that is commonly recycled; or

''(II) unsegregated solid waste;

''(B) the term 'energy efficiency project' means the installation or upgrading of equipment that results in a significant reduction in energy usage; and

''(C) the term 'renewable energy system' means a system of energy derived from—

''(i) a wind, solar, biomass (including biodiesel), or geothermal source; or

''(ii) hydrogen derived from biomass or water using an energy source described in clause (i).''.

SEC. 8. EXPRESS LOANS FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY.

Section 7(a)(31) of the Small Business Act (15 U.S.C. 636(a)(31)) is amended by adding at the end the following:

''(F) EXPRESS LOANS FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY.—

''(i) DEFINITIONS.—In this subparagraph, the terms 'energy efficiency project' and 'renewable energy system' have the meanings given those terms in section 9(z).

''(ii) LOANS.—Loans may be made under the 'Express Loan Program' for the purpose of—

''(I) purchasing a renewable energy system; or

''(II) an energy efficiency project for an existing business.''.

By Mr. GREGG:

S. 1658. A bill to amend the Servicemembers Civil Relief Act to provide protection for child custody arrangements for parents who are members of the Armed Forces deployed in support of a contingency operation; to the Committee on Veterans' Affairs.

Mr. GREGG. Mr. President, I rise today to speak about several of the personal problems currently being experienced by some military families due to the deployment of one or both parents and to introduce three pieces of legislation, the language of which is included in the recently passed House of Representatives Defense authorization bill, which are designed to help alleviate those problems.

But first, I would like to express my sincere thanks to the fathers and mothers, husbands and wives, sisters and brothers, and the sons and daughters of our Nation, who in these very tumultuous and dangerous times have volunteered to join our Armed Forces and serve our country around the world. In December 1776, another of the tumultuous times for our Nation, Thomas Paine wrote ''These are the times that try men's souls: The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman.'' Our modern day Patriots, who are now serving in the Army, Navy, Marine Corps, Air Force and Coast Guard, also heard and answered our country's call and they surely deserve the love and thanks of our Nation.

In some cases, while a military parent is deployed overseas, courts have overturned custody arrangements of their child or children; this while the deployed military custodial parent was unable to appear before the court. The first piece of legislation, S. 1658, would provide protection of child custody arrangements for Armed Forces parents who are deployed in contingency operations. The legislation states that if a motion for change of custody of a child of a servicemember is filed while the servicemember is deployed in support of a contingency operation, no court may enter an order modifying or amending any previous judgment or order, or issue a new order that changes the child custody arrangement that existed as of the deployment date. An exception is allowed whereby the court may enter a temporary custody order if there is clear and convincing evidence that it is in the best interest of the child. Additionally, if a motion for the change of custody of the child of a servicemember who was deployed in support of a contingency operation is filed after the end of the deployment, no court may consider the absence of the servicemember by reason of that deployment in determining the best interest of the child.

The second piece of legislation, S. 1659, is intended to preclude some of the tension and anxiety that a child may suffer from the simultaneous deployment of both parents, as well as the grief that would result if both those parents were to lose their lives while simultaneously deployed. This bill would provide a limitation on simultaneous deployment to combat zones of dual-military couples who have minor dependents. It states that in the case of a member of the Armed Forces with minor dependents who has a spouse who is also a member of the Armed Forces, and the spouse is deployed in an area for which imminent danger pay is authorized, the member may request a deferment of a deployment to such an area until the spouse returns from such deployment.

And the third piece of legislation, S. 1660, would initiate studies that could hopefully lead to improved support services for families of members of the National Guard and Reserve who are undergoing deployment. This legislation would direct the Secretary of Defense to conduct a study of possible methods to enhance support services for children of members of the National Guard and Reserve who are deployed. Additionally, the legislation would require the Pentagon to carry out a study on establishment of a program on family-to-family support for families of deployed members of the National Guard and Reserve.

Mr. President, I ask that my fellow Senators consider these bills.

By Mr. DORGAN (for himself, Mr. STEVENS, and Mr. INOUYE):

S. 1661. A bill to communicate United States travel policies and improve marketing and other activities designed to increase travel in the United States from abroad; to the Committee on Commerce, Science, and Transportation.

Mr. DORGAN. Mr. President, today I am introducing, along with Senators STEVENS and INOUYE, the Travel Promotion Act of 2007. We seek with this bill to increase travel to the United States and rebuild the country's place in the global travel market. After 9/11, the number of overseas travelers to the United States decreased dramatically and has still not recovered. Travel and tourism are a crucial part of our export industry, but other countries have gained market share to our detriment. Foreign travelers are going elsewhere.

The absence of federal leadership in travel promotion has resulted in States having to step in to fill that void. An example is the effort made by my home State of North Dakota, where tourism is the State's second largest industry, with visitors spending $3.36 billion in 2004. The investment that North Dakota made to encourage travel and tourism has reaped enormous benefits, with the State getting a return of investment of almost $82 for each dollar spent on travel promotion.

While States have made inroads to attracting travelers, the lack of a coordinated federal campaign creates a comparative disadvantage with countries that have centralized ministries or offices to encourage international travel to their countries. The example of North Dakota should be a lesson for the entire country. The United States offers unique and diverse destinations for travelers—a small investment in national coordination has the potential to create a significant windfall for our economy.

The Travel Promotion Act of 2007 will promote travel to the U.S., including areas not traditionally visited, highlighting the United States as a premier travel destination. The bill

will improve communication of United States travel policies and perceptions of the process. Negative perceptions can often deter foreigners from traveling to the United States. Our communities will benefit from growth of this multi-billion dollar industry. With an increase in visitors they will experience an increase in jobs and expansion of local economies.

The bill initiates a nationally coordinated travel promotion campaign established in a public-private partnership to increase international travel to the United States. It creates a Corporation for Travel Promotion, an independent, nonprofit corporation, to run the travel promotion campaign. The program will be funded equally by a small fee paid by foreign travelers visiting the U.S. and matching contributions from the travel industry.

This is a great country, and we should welcome visitors to our shores to meet our people and experience our culture. I thank the Chair and Vice-Chair of the Committee on Commerce, Science, and Transportation for joining with me to develop this campaign and promote travel to our Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) This Act may be cited as the ''Travel Promotion Act of 2007.''.

(b) TABLE OF CONTENTS—The table of contents for this Act is as follows:

SEC. 2. THE CORPORATION FOR TRAVEL PROMOTION.

(a) ESTABLISHMENT.—The Corporation for Travel Promotion is established as a nonprofit corporation. The Corporation shall not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of the District of Columbia Nonprofit Corporation Act (D.C. Code, section 29-1001 et seq.), to the extent that such provisions are consistent with this section, and shall have the powers conferred upon a nonprofit corporation by that Act to carry out its purposes and activities.

(b) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The Corporation shall have a board of directors of 14 members, appointed by the Secretary of Commerce, who are United States citizens with professional expertise and experience in the fields of travel, international travel promotion, and marketing and broadly represent various regions of the Nation, of whom—

(A) 1 shall represent hotel accommodations providers;

(B) 2 shall represent restaurant and retail businesses;

(C) 2 shall represent attractions and recreation businesses;

(D) 1 shall represent the passenger air transportation business;

(E) 1 shall represent the car rental business;

(F) 3 shall represent State and local offices from disparate regions of the country;

(G) 1 shall be a Federal employee (as defined in section 2105 of title 5, United States Code);

(H) 1 shall represent the higher education community; and

(I) 2 shall represent the small business community.

(2) INCORPORATION.—The members of the initial board of directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act (D.C. Code, section 29-1001 et seq.).

(3) TERM OF OFFICE.—The term of office of each member of the board appointed by the Secretary shall be 3 years, except that, of the members first appointed—

(A) 3 shall be appointed for terms of 1 year;

(B) 4 shall be appointed for terms of 2 years; and

(C) 4 shall be appointed for terms of 3 years.

(4) VACANCIES.—Any vacancy in the board shall not affect its power, but shall be filled in the manner required by this section. Any member whose term has expired may serve until the member's successor has taken office, or until the end of the calendar year in which the member's term has expired, whichever is earlier. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which that member's predecessor was appointed shall be appointed for the remainder of the predecessor's term. No member of the board shall be eligible to serve more than 2 consecutive full terms.

(5) ELECTION OF CHAIRMAN AND VICE CHAIRMAN.—Members of the board shall annually elect one of their members to be Chairman and elect 1 or more of their members as a Vice Chairman or Vice Chairmen.

(6) STATUS AS FEDERAL EMPLOYEES.—Notwithstanding any provision of law to the contrary, no member of the board may be considered to be a Federal employee of the United States by virtue of his or her service as a member of the board.

(7) COMPENSATION; EXPENSES.—No member shall receive any compensation from the Federal government for serving on the Council. Each member of the Council shall be paid actual travel expenses and per diem in lieu of subsistence expenses when away from his or her usual place of residence, in accordance with section 5703 of title 5, United States Code.

(c) OFFICERS AND EMPLOYEES.—

(1) IN GENERAL.—The Corporation shall have a President, and such other officers as may be named and appointed by the board for terms and at rates of compensation fixed by the board. No individual other than a citizen of the United States may be an officer of the Corporation. The corporation may hire and fix the compensation of such employees as may be necessary to carry out its purposes. No officer or employee of the Corporation may receive any salary or other compensation (except for compensation for services on boards of directors of other organizations that do not receive funds from the Corporation, on committees of such boards, and in similar activities for such organizations) from any sources other than the Corporation for services rendered during the period of his or her employment by the Corporation. Service by any officer on boards of directors of other organizations, on committees of such boards, and in similar activities for such organizations shall be subject to annual advance approval by the board and subject to the provisions of the Corporation's Statement of Ethical Conduct. All officers and employees shall serve at the pleasure of the board.

(2) NONPOLITICAL NATURE OF APPOINTMENT.—No political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, or employees of the Corporation.

(d) NONPROFIT AND NONPOLITICAL NATURE OF CORPORATION.—

(1) STOCK.—The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) PROFIT.—No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(3) POLITICS.—The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(e) DUTIES AND POWERS.—

(1) IN GENERAL.—The Corporation shall develop and execute a plan—

(A) to provide useful information to foreign tourists and others interested in travelling to the United States, including the distribution of material provided by the Federal government concerning entry requirements, required documentation, fees, and processes, to prospective travelers, travel agents, tour operators, meeting planners, foreign governments, travel media and other international stakeholders;

(B) to counter and correct misperceptions regarding United States travel policy around the world;

(C) to maximize the economic and diplomatic benefits of travel to the United States by promoting the United States of America to world travelers through the use of, but not limited to, all forms of advertising, outreach to trade shows, and other appropriate promotional activities;

(D) to ensure that international travel benefits all States and the District of Columbia, including areas not traditionally visited by international travelers.; and

(E) to give priority to the Corporation's efforts in terms of countries and populations most likely to travel to the United States.

(2) SPECIFIC POWERS.—In order to carry out the purposes of this section, the Corporation may—

(A) obtain grants from and make contracts with individuals and private companies, State, and Federal agencies, organizations, and institutions;

(B) hire or accept the voluntary services of consultants, experts, advisory boards, and panels to aid the Corporation in carrying out its purposes; and

(C) take such other actions as may be necessary to accomplish the purposes set forth in this section.

(f) OPEN MEETINGS.—Meetings of the board of directors of the Corporation, including any committee of the board, shall be open to the public. The board may, by majority vote, close any such meeting only for the time necessary to preserve the confidentiality of commercial or financial information that is privileged or confidential, to discuss personnel matters, or to discuss legal matters affecting the Corporation, including pending or potential litigation.

(g) MAJOR CAMPAIGNS.—The board may not authorize the Corporation to obligate or expend more than $25,000,000 on any advertising campaign, promotion, or related effort unless—

(1) the obligation or expenditure is approved by an affirmative vote of at least ⅔ of

the members of the board present at the meeting;

(2) at least 8 members of the board are present at the meeting at which it is approved; and

(3) each member of the board has been given at least 3 days advance notice of the meeting at which the vote is to be taken and the matters to be voted upon at that meeting.

(h) FISCAL ACCOUNTABILITY.

(1) FISCAL YEAR.—The Corporation shall establish as its fiscal year the 12-month period beginning on October 1.

(2) BUDGET.—The Corporation shall adopt a budget for each fiscal year.

(3) ANNUAL AUDITS.—The Corporation shall engage an independent accounting firm to conduct an annual financial audit of the Corporation's operations and shall publish the results of the audit. The Comptroller General shall have full and complete access to the books and records of the Corporation.

SEC. 3. ACCOUNTABILITY MEASURES.

(a) OBJECTIVES.—The Board shall establish annual objectives for the Corporation for each fiscal year subject to approval by the Secretary. The Corporation shall establish a marketing plan for each fiscal year not less than 60 days before the beginning of that year and provide a copy of the plan, and any revisions thereof, to the Secretary.

(b) BUDGET.—The board shall transmit a copy of the Corporation's budget for the forthcoming fiscal year to the Secretary no later than August 16 immediately preceding that fiscal year, together with an explanation of any expenditure provided for by the budget in excess of $5,000,000 for the fiscal year. The Corporation shall make a copy of the budget and the explanation available to the public and shall provide public access to the budget and explanation on the Corporation's website.

(c) ANNUAL REPORT TO CONGRESS.—The Corporation shall submit an annual report for the preceding fiscal year to the Secretary of Commerce for transmittal to the Congress on or before the 15th day of May of each year. The report shall include—

(1) a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this Act;

(2) a comprehensive and detailed inventory of amounts obligated or expended by the Corporation during the preceding fiscal year;

(3) an objective and quantifiable measurement of its progress, on an objective-by-objective basis, in meeting the objectives established by the board;

(4) an explanation of the reason for any failure to achieve an objective established by the board; and

(5) such recommendations as the Corporation deems appropriate.

SEC. 4. MATCHING PUBLIC AND PRIVATE FUNDING.

(a) ESTABLISHMENT OF TRAVEL PROMOTION FUND.—There is hereby established in the Treasury a fund which shall be known as the Travel Promotion Fund.

(b) FUNDING.—

(1) FIRST YEAR.—For fiscal year 2008, the Corporation may borrow from the Treasury beginning on October 1, 2007, such sums as may be necessary, but not to exceed $10,000,000, to cover its initial expenses and activities under this Act. Before October 1, 2012, the Corporation shall reimburse the Treasury, without interest, for any such amounts borrowed from the Treasury, using funds deposited in the Fund from non-Federal sources. Amounts reimbursed to the Treasury shall be treated as matching funds from non-Federal sources for purposes of subsection (c) in the fiscal year in which such reimbursements are made.

(2) SUBSEQUENT YEARS.—For each of fiscal years 2009 through 2012, from amounts deposited in the general fund of the Treasury during the preceding fiscal year from fees under section 5 of this Act, the Secretary of the Treasury shall transfer not more than $100,000,000 to the Fund, which shall be made available to the Corporation, subject to subsection (c) of this section, to carry out its functions under this Act. Transfers shall be made at least quarterly on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess or less than the amounts required to be transferred.

(c) MATCHING REQUIREMENT.—

(1) IN GENERAL.—No amounts may be made available to the Corporation under this section after fiscal year 2008, except to the extent that—

(A) for fiscal year 2009, the Corporation provides matching funds from non-Federal sources equal in the aggregate to 50 percent or more of the amount transferred to the Fund under subsection (b); and

(B) for any fiscal year after fiscal year 2009, the Corporation provides matching funds from non-Federal sources equal in the aggregate to 100 percent of the amount transferred to the Fund under subsection (b) for the fiscal year.

(2) GOODS AND SERVICES.—For the purpose of determining the amount of matching funds, other than money, available to the Corporation—

(A) the fair market value of goods and services (including advertising) contributed to the Corporation for use under this Act may be included in the determination; but

(B) the fair market value of such goods and services may not account for more than 80 percent of the matching requirement for the Corporation in any fiscal year.

(3) RIGHT OF REFUSAL.—The Corporation may decline to accept any contribution in kind that it determines to be inappropriate, not useful, or commercially worthless.

(4) CARRYFORWARD.—The amount of any matching funds received by the Corporation in fiscal year 2009, 2010, or 2011 that cannot be used as matching funds in the fiscal year in which received may be carried forward and treated as having been received in the succeeding fiscal year for purposes of meeting the matching requirement of paragraph (1) in such succeeding fiscal year.

SEC. 5. TRAVEL PROMOTION FUND FEES.

If a fully automated electronic traveler authorization system to collect basic biographical information in order to determine, in advance of travel, the eligibility of an alien to travel to the United States is implemented, the United States Government may charge a fee to an applicant for the use of the system. The amount of any such fee initially shall be at least $10, plus such amounts as may be necessary to cover the cost of operating such a system, but may be reduced thereafter if that amount is not necessary to ensure that the Corporation is fully funded.

SEC. 6. ASSESSMENT AUTHORITY.

(a) IN GENERAL.—Except as otherwise provided in this section, the Corporation may impose an annual assessment on United States members of the international travel and tourism industry (other than those described in section 2(b)(1)(D), (H), or (I)) represented on the Board in proportion to their share of the aggregate international travel and tourism revenue of the industry.

(b) INITIAL ASSESSMENT LIMITED.—The Corporation may establish the initial assessment after the date of enactment of the Travel and Tourism Promotion Act at no greater, in the aggregate, than $20,000,000.

(c) REFERENDA.—

(1) IN GENERAL.—The Corporation may not impose an annual assessment unless—

(A) the Corporation submits the proposed annual assessment to members of the industry in a referendum; and

(B) the assessment is approved by a majority of those voting in the referendum.

(3) PROCEDURAL REQUIREMENTS.—In conducting a referendum under this subsection, the Corporation shall—

(A) provide written or electronic notice not less than 60 days before the date of the referendum;

(B) describe the proposed assessment or increase and explain the reasons for the referendum in the notice; and

(C) determine the results of the referendum on the basis of weighted voting apportioned according to each business entity's relative share of the aggregate annual United States international travel and tourism revenue for the industry per business entity, treating all related entities as a single entity.

(d) COLLECTION.—

(1) IN GENERAL.—The Corporation shall establish a means of collecting the assessment that it finds to be efficient and effective. The Corporation may establish a late payment charge and rate of interest to be imposed on any person who fails to remit or pay to the Corporation any amount assessed by the Corporation under this Act.

(2) ENFORCEMENT.—The Corporation may bring suit in Federal court to compel compliance with an assessment levied by the Corporation under this Act.

(e) INVESTMENT OF FUNDS.—Pending disbursement pursuant to a program, plan, or project, the Corporation may invest funds collected through assessments, and any other funds received by the Corporation, only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

SEC. 7. UNDER SECRETARY OF COMMERCE FOR TRAVEL PROMOTION.

(a) IN GENERAL.—Title II of the International Travel Act of 1961 (22 U.S.C. 2121 et seq.) is amended by inserting after section 201 the following:

"SEC. 202. OFFICE OF TRAVEL PROMOTION.

''(a) OFFICE ESTABLISHED.—There is established within the Department of Commerce an office to be known as the Office of Travel Promotion.

''(b) UNDER SECRETARY FOR TRAVEL PROMOTION.—

''(1) IN GENERAL.—The head of the Office shall be the Under Secretary of Commerce for Travel Promotion. The Under Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) QUALIFICATIONS.—The Under Secretary shall—

''(A) be a citizen of the United States; and

''(B) have experience in a field directly related to the promotion of travel in the United States.

''(3) LIMITATION ON INVESTMENTS.—The Under Secretary may not own stock in, or have a direct or indirect beneficial interest in, a corporation or other enterprise engaged in the travel, transportation, or hospitality business or in a corporation or other enterprise that owns or operates theme park or other entertainment facility.

''(c) FUNCTION.—The Under Secretary shall—

''(1) serve as liaison to the Corporation for Travel Promotion established by section 2 of

the Travel Promotion Act of 2007 and support and encourage the development of programs to increase the number of international visitors to the United States for business, leisure, educational, medical, exchange, and other purposes;

''(2) work with the Corporation, the Secretary of State, and the Secretary of Homeland Security—

''(A) to disseminate information more effectively to potential international visitors about documentation and procedures required for admission to the United States as a visitor; and

''(B) to ensure that arriving international visitors are processed efficiently and in a welcoming and respectful manner;

''(3) support State, regional, and private sector initiatives to promote travel to and within the United States;

''(4) supervise the operations of the Office of Travel and Tourism Industries; and

''(5) enhance the entry and departure experience for international visitors.

''(d) REPORTS TO CONGRESS.—Within a year after the date of enactment of the Travel Promotion Act of 2007, and periodically thereafter as appropriate, the Under Secretary shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce describing the Under Secretary's work with the Corporation, the Secretary of State, and the Secretary of Homeland Security to carry out subsection (c)(2).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5313 of title 5, United States Code, is amended by adding at the end the following:

''The Under Secretary of Commerce for Travel Promotion.''.

(2) The International Travel Act of 1961 (22 U.S.C. 2121 et seq.) is amended by striking ''Commerce (hereafter in this Act referred to as the 'Secretary')'' in section 201 (22 U.S.C. 2122) and inserting ''Commerce, acting through the Under Secretary for Travel Promotion,''.

SEC. 8. RESEARCH PROGRAM.

Title II of the International Travel Act of 1961 (22 U.S.C. 2121 et seq.), as amended by section 6, is further amended by inserting after section 202 the following:

''SEC. 203. RESEARCH PROGRAM.

''The Office of Travel and Tourism Industries shall expand and continue its research and development activities in connection with the promotion of international travel to the United States, including—

''(1) expanding access to the official Mexican travel surveys data to provide the States with traveler characteristics and visitation estimates for targeted marketing programs;

''(2) revising the Commerce Department's Survey of International Travelers questionnaire and report formats to accommodate a new survey instrument, expanding the respondent base, improving response rates, and improving market coverage;

''(3) developing estimates of international travel exports (expenditures) on a State-by-State basis to enable each State to compare its comparative position to national totals and other States;

''(4) evaluate the success of the Corporation in achieving its objectives and carrying out the purposes of the Travel Promotion Act of 2007; and

''(5) research to support the annual report required by section 202(d) of this Act.''.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce for fiscal years 2008 through 2012 such sums as may be necessary to carry out this section.''.

SEC. 9. DEFINITIONS.

In this Act:

(1) BOARD.—The term ''Board'' means the board of directors of the Corporation.

(2) CORPORATION.—The term ''Corporation'' means the Corporation for Travel Promotion established by section 2.

(3) FUND.—The term ''Fund'' means the Travel Promotion Fund established by section 4.

(4) SECRETARY.—Except as otherwise expressly provided, the term ''Secretary'' means the Secretary of Commerce.

Mr. INOUYE. Mr. President, the travel and tourism industry is a driving force for our Nation's economy. In 2006, the industry generated a $7.3 billion trade surplus. In 2006, international receipts for travel-related tourism spending reached $107.8 billion. Travel and tourism supported 8.3 million American jobs in 2006, of which 1.1 million were supported by international travel and tourism. In Hawaii, tourism is the largest industry bringing in approximately $12 billion annually, $4 billion of which derives from international visitor spending.

International tourism brings more than economic returns. International travelers who visit our country can advance our standing overseas. Studies have shown that, after visiting the United States and interacting with Americans, 74 percent of visitors have a more favorable opinion of our country.

In recent years, overseas travel to the United States has suffered. In the wake of the September 11, 2001, terrorist attack, the United States made a number of necessary changes in the visa and entry processes to improve security, but some of those changes have confused and deterred visitors from even the friendliest countries. Many in the travel industry have continued to express concerns about the perception that the U.S. entry process is unnecessarily antagonistic.

In order to strengthen our competitiveness and recover lost international market share, we must improve and better explain the process for travelers coming to America. The world needs to know that the United States welcomes business and leisure travelers.

In addressing these concerns, and in recognizing the benefits of travel promotion, I am pleased to join my colleagues, Senator DORGAN and Vice Chairman STEVENS, in introducing the Travel Promotion Act of 2007. The bill establishes a nonprofit, independent corporation charged with reaching out to potential international travelers, clarifying the ease of travel to America, and encouraging them to visit. As experts have testified in hearings before the Commerce Committee, a unified effort to promote tourism to all areas of the United States is necessary and cannot be achieved by the industry alone.

The proposed corporation will be run by 14 board members, appointed by the Secretary of Commerce, who represent all aspects of the travel industry, including State tourism boards, hotels, and airlines, as well as the Federal Government. A small fee collected from international travelers to the United States will help fund the corporation, but its costs will be truly shared with industry. In order to receive the funds collected by the Government, the corporation will need to raise matching funds from the travel industry. By working together, the Federal and State governments and business will be able to revitalize the travel industry and make America a stronger and more welcoming destination.

In most developed countries, the minister of tourism is one of the most powerful and important positions in the government. For too long, our Government has relegated travel and tourism to a second tier status. The bill seeks to improve that status by creating an Under Secretary of Commerce for Travel Promotion who would work with the State Department and the Department of Homeland Security, as well as the corporation, to improve travel promotion efforts and the entry process for international travelers.

The travel and tourism industry helps drive the U.S. economy. The Travel Promotion Act of 2007 will enhance our competitiveness while improving our image abroad, and I urge my colleagues to support this measure.

By Mr. KERRY (for himself and Ms. SNOWE):

S. 1662. A bill to amend the Small Business Investment Act of 1958 to reauthorize the venture capital program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, today I am introducing legislation with my colleague, Senator SNOWE, to increase access to venture capital for small businesses. This type of financing is essential to grow a company, but it's hard to come by, particularly for start-up firms. The Small Business Administration, SBA, has played an important role in filling this gap for almost 50 years with the Small Business Investment Company, SBIC, program.

Since the SBIC program's inception in 1958, SBIC firms have invested $48 billion in more than 100,000 small businesses. For fiscal year 2006 alone, 30 percent of all SBIC investment dollars went to companies that had been in business for two years or less. Overall in that year, SBIC financing supported more than 2,000 small businesses which employed a total of 286,000 Americans.

Many extremely successful companies that received their start from SBIC financing are now household names: Intel, Federal Express, Jenny Craig, and Outback Steakhouse are all SBIC success stories. Companies receiving SBIC financing have also consistently appeared on a variety of prominent business lists, including Inc. 500, BusinessWeek's ''Hot Growth Companies'' and ''Hot Growth Hall of Fame,'' Fortune magazine's ''Best Companies to Work For'' and ''Most Admired Companies,'' and the FSB 100.

And they provide tens of thousands of jobs and contribute significantly to our Federal and local tax bases, paying back the investment many times over.

Given the important contribution SBIC funds have made to our economy, our bill reauthorizes the SBIC program for another 3 years, through 2010, ensuring the continued availability of this important small business financing tool. Additionally, the legislation simplifies the program's regulations to attract new investors and allow existing investors to increase their involvement. These provisions will ensure that dependable capital is available for small businesses for years to come.

Entrepreneurs may start out small, but the contribution they make to our economy is huge—and particularly important in underserved communities. This legislation will also increase the leverage cap for small businesses owned by women and minorities as well as those located in low-income areas. It will simplify existing incentives for investing in the smallest businesses in order to give every entrepreneur a fighting chance. Finally, we have included a provision which ensures that SBICs licensed under the participating securities program will be able to easily make follow-up investments in successful companies.

Small businesses are responsible for more than two-thirds of all new jobs in America. They employ more than half of the private sector work force, and pump over $900 billion into the economy annually. As small business owners are living the American dream, they should be able to count on the government to help create an environment where they can do what they do best: innovate, compete, and create good jobs for Americans.

I thank Senator SNOWE for joining me in introducing this bill, and I ask my colleagues to support it when it comes before the full Senate for consideration. Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Venture Capital Act of 2007''.

SEC. 2. REAUTHORIZATION.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by inserting after subsection (e) the following:

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term ''low-income geographic area'' has the same meaning as in section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689), as amended by this Act;

(3) the term ''New Markets Venture Capital company'' has the same meaning as in section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689); and

(4) the term ''New Markets Venture Capital Program'' means the program under part B of title III of the Small Business Investment Act of 1958 (15 U.S.C. 689 et seq.).

SEC. 3. DIVERSIFICATION OF NEW MARKETS VENTURE CAPITAL PROGRAM.

(a) SELECTION OF COMPANIES IN EACH GEOGRAPHIC REGION.—Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c) is amended by adding at the end the following:

''(f) GEOGRAPHIC REQUIREMENT.—In selecting companies to participate as New Markets Venture Capital companies in the program established under this part, the Administrator shall select, to the extent practicable, from among companies submitting applications under subsection (b), at least 1 company from each geographic region of the Administration.''.

(b) PARTICIPATION IN NEW MARKETS VENTURE CAPITAL PROGRAM.—

(1) ADMINISTRATION PARTICIPATION REQUIRED.—Section 353 of the Small Business Investment Act of 1958 (15 U.S.C. 689b) is amended in the matter preceding paragraph (1), by striking ''under which the Administrator may'' and inserting ''under which the Administrator shall''.

(2) SMALL MANUFACTURER PARTICIPATION AGREEMENTS REQUIRED.—Section 353 of the Small Business Investment Act of 1958 (15 U.S.C. 689b) is amended—

(A) by striking ''In accordance with this part,'' and inserting the following:

''(a) IN GENERAL.—In accordance with this part,'';

(B) in subsection (a)(1), as so designated by this paragraph, by inserting after ''section 352'' the following: ''(with at least 1 such agreement to be with a company engaged primarily in development of and investment in small manufacturers, to the extent practicable)''; and

(C) by adding at the end the following:

''(b) RULE OF CONSTRUCTION.—Subsection (a)(1) shall not be construed to authorize the Administrator to decline to enter into a participation agreement with a company solely on the basis that the company is not engaged primarily in development of and investment in small manufacturers.''.

SEC. 4. ESTABLISHMENT OF OFFICE OF NEW MARKETS VENTURE CAPITAL.

Title II of the Small Business Investment Act of 1958 (15 U.S.C. 671) is amended by adding at the end the following:

''SEC. 202. OFFICE OF NEW MARKETS VENTURE CAPITAL.

''(a) ESTABLISHMENT.—There is established in the Investment Division of the Administration, the Office of New Markets Venture Capital.

''(b) DIRECTOR.—The Office of New Markets Venture Capital shall be headed by a Director, who shall be a career appointee in the Senior Executive Service, as those terms are defined in section 3132 of title 5, United States Code.

''(c) RESPONSIBILITIES OF DIRECTOR.—The responsibilities of the Director of the Office of New Markets Venture Capital include—

''(1) to administer the New Markets Venture Capital Program under part B of title III;

''(2) to assess, not less frequently than once every 2 years, the nature and scope of the New Markets Venture Capital Program and to advise the Administrator on recommended changes to the program, based on such assessment;

''(3) to work to expand the number of small business concerns participating in the New Markets Venture Capital Program; and

''(4) to encourage investment in small manufacturing.''.

SEC. 5. LOW-INCOME GEOGRAPHIC AREAS.

(a) IN GENERAL.—Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689) is amended—

(1) by striking paragraphs (2) and (3) and inserting the following:

''(2) LOW-INCOME GEOGRAPHIC AREA.—The term 'low-income geographic area' has the meaning given the term 'low-income community' in section 45D of the Internal Revenue Code of 1986 (relating to the new markets tax credit).''; and

(2) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively.

(b) APPLICATION OF AMENDED DEFINITION TO CAPITAL REQUIREMENT.—The definition of a low-income geographic area in section 351(2) of the Small Business Investment Act of 1958, as amended by subsection (a), shall apply to private capital raised under section 354(d)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)(1)) before, on, or after the date of enactment of this Act.

SEC. 6. LIMITATION ON TIME FOR FINAL APPROVAL OF COMPANIES.

Section 354(d) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)) is amended by striking ''a period of time, not to exceed 2 years,'' and inserting ''2 years''.

SEC. 7. APPLICATIONS FOR NEW MARKETS VENTURE CAPITAL PROGRAM.

Not later than 60 days after the date of enactment of this Act, the Administrator shall prescribe standard documents for an application for final approval by a New Markets Venture Capital company under section 354(e) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(e)). The Administrator shall ensure that such documents are designed to substantially reduce the cost burden of the application process on a company making such an application.

SEC. 8. OPERATIONAL ASSISTANCE GRANTS.

Section 358(a)(4)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 689g(a)(4)(A)) is amended to read as follows:

''(A) NEW MARKETS VENTURE CAPITAL COMPANIES.—Notwithstanding section 354(d)(2), the amount of a grant made under this subsection to a New Markets Venture Capital company shall be equal to the lesser of—

''(i) 10 percent of the private capital raised by the company; or

''(ii) $1,000,000.''.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

Section 368(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689q(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''fiscal years 2001 through 2006'' and inserting ''fiscal years 2007 through 2010''; and

(2) in paragraph (2), by striking ''$30,000,000'' and inserting ''$20,000,000''.

Ms. SNOWE. Mr. President, as Ranking Member of the Senate Committee on Small Business and Entrepreneurship, I rise today to join with Chairman KERRY in introducing the ''Small Business Venture Capital Act of 2007,'' a bill to reauthorize and improve the Small Business Administration's (SBA) Small Business Investment Company (SBIC) Program. I am deeply committed to supporting our nation's small businesses by increasing their access to capital. Small businesses employ more than half (57 percent) of the total private-sector workforce and are responsible for the creation of more than two-thirds of all new jobs. Clearly, increasing investments in small businesses is crucial to our on-going economic success.

This bill, a product of genuine bipartisan negotiation, will reform and enhance the SBIC program, which is so

vital to fostering innovation, growth, and job creation in small businesses throughout our country. SBICs are privately owned and managed venture capital investment companies that are licensed and regulated by the SBA. SBICs use their own capital, combined with funds borrowed from other private investors and supported by an SBA guarantee, to make equity and debt investments in qualifying small businesses. The SBA shares in the profits of SBICs. The structure of the program is unique and has been a model for similar public-private partnerships around the world.

The program has been successful in mobilizing private venture capital investment and leveraging private investment with additional funds supported by SBA guarantees. According to the SBA's annual reports to Congress, the SBIC program has provided billions in financing to small businesses since its inception. For example, companies like Staples, FedEx, Outback Steakhouse, America Online, Costco, Apple Computers, and Intel have all received SBIC investments at one time in their history.

Each year, financing brought about by the SBIC program allows small businesses to create or retain tens of thousands of jobs. For example, during Fiscal Year 2006, the SBIC program invested $2.987 billion in 2,121 small businesses. Of these, 40 percent were located in government-designated Low and Moderate Income (LMI) areas of the county. Those LMI-district companies received $669 million of the total dollars invested by SBICs in 2006. Since its beginning in 1958, the SBIC program has provided approximately $48 billion of long-term debt and equity capital to more than 100,000 small businesses. In fact, in my home State of Maine, SBICs invested nearly $21 million during FY 2006.

A key proposal in this bill is a technical change made to simplify the maximum leverage limits contained in the current statute. Under current law, the maximum leverage cap or the maximum amount of government-guaranteed capital an SBIC can control for Fiscal Year 2007, is $127.2 million for any one SBIC or for multiple SBICs controlled by the same management team. The cap increases automatically on an annual basis by the percentage increase in the Consumer Price Index (CPI). The problem with current law is that because the leverage cap applies to a whole family of SBICs, it is often impossible for a successful SBIC to operate a second or third fund due to a lack of available leverage. Additional leverage would remedy this issue. Accordingly, the bill increases the leverage cap for anyone fund to $150 million, and the cap for multiple funds held under one management team to $225 million.

Furthermore, this bill will increase leverage available for investment in minority- and women-owned businesses, which are having trouble accessing SBIC dollars. In Fiscal Year 2004, minority-owned firms received 5.2 percent of financing dollars. Women-owned businesses obtained just 2.2 percent of financing dollars. To try to increase financing available to such small businesses, the bill increases leverage limits to $175 million for a single fund and $250 million for a group of funds held under an SBIC license if the SBIC certifies that at least 50 percent of its investments are made in companies that are owned by either women or minorities, or are located in a low-income geographic area.

Mr. President, I urge my colleagues to support this bill. Too much is at stake for small businesses, and the economy as a whole, to allow this critical legislation to languish. Failing to advance this bill would diminish our chances for innovation, and stifle the entrepreneurial opportunities this program has and will continue to produce.

By Mr. KERRY (for himself and Ms. SNOWE):

S. 1663. A bill to amend the Small Business Investment Act of 1958 to reauthorize the New Markets Venture Capital Program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, in addition to introducing a bill to reauthorize the Small Business Investment Company, SBIC, program, Senator SNOWE and I are introducing a bill to extend the New Markets Venture Capital, NMVC, program. The Securing Equity for the Economic Development of Low Income Areas Act of 2007, or the SEED Act, is important to states like Massachusetts and Maine.

Both of our States are home to pioneers in the field of development venture capital, which uses the discipline of traditional venture investing to focus on economic development in low-income areas. We know the benefits of this type of investment and believe the model should be expanded to other parts of the country.

Our support is not new. In my case, I was the sponsor of the Community Development and Venture Capital Act of 1999, which created the New Markets Venture Capital program. Its purpose was to stimulate economic development through public-private partnerships that invest venture capital in smaller businesses located in impoverished rural and urban areas or that employ low-income people.

Both innovative and fiscally sound, this program was built on two of the Small Business Administration's most popular programs. It developed a financial structure similar to that of the successful Small Business Investment Company, SBIC, program, mentioned earlier, while also incorporating a technical assistance component similar to that of SBA's microloan program.

However, unlike the SBIC program, which focuses on small businesses with high-growth potential, the New Markets Venture Capital program focuses on small businesses that show promise of both financial and social returns—what is referred to as a ''double bottom line.'' These businesses have special needs, and they tend to want intensive, ongoing financial, management and marketing assistance, be higher risk, and need longer periods to pay back money than SBIC investments. However, they more than balance out the equation by providing good, stable jobs and creating wealth in our neediest communities.

Unfortunately, the program expired in 2006, and it has been operating under temporary authority since then. The SEED Act seeks to reauthorize, expand, and improve this important program.

First, the bill will reauthorize the program for the next 3 years until 2010, making it possible for the SBA to license up to 20 more New Markets Venture Capital funds. Those funds will have the potential to invest $250 million in small businesses in low-income areas, by leveraging $150 million in debentures. Building on experiences with this program and the Rural Business Investment Company Program, which proved the matching requirement unreasonable and inefficient, the bill changes the operational assistance grants so that firms can get up to $1 million in funding in order to provide the companies they invest in with management assistance services. This support is absolutely necessary to make their business a success. Also important to making future funds successful, we have clarified that new markets venture capital companies have two years to raise their private capital. The committee has been troubled by the Agency's interpretation of the NMVC statute, which they viewed as giving SBA the authority to choose how much time it can give conditionally approved NMVCs to raise private-sector matching money. The chosen time frames were unreasonable and not what Congress intended. This bill clarifies that they get the full 2 years to raise the money. The bill also establishes an office of new markets venture capital so that there are resources devoted to its management and oversight, something lacking in past years. And to try to expand the reach of development capital in other parts of the country, the bill requires the SBA, to the extent practicable, to try and license funds in each of the Agency's ten regions, so that there is diversity. And it requires the SBA, to the extent practicable, to try and license a fund that focuses on investments in small manufacturers, as a way to help stem the loss of manufacturing in this country.

On behalf of the Nation's small businesses and entrepreneurs, I urge my colleagues to support this important legislation. Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Securing Equity for the Economic Development of Low Income Areas Act of 2007'' or the ''SEED Act''.

SEC. 2. DEFINITIONS.

In this Act—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term ''low-income geographic area'' has the same meaning as in section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689), as amended by this Act;

(3) the term ''New Markets Venture Capital company'' has the same meaning as in section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689); and

(4) the term ''New Markets Venture Capital Program'' means the program under part B of title III of the Small Business Investment Act of 1958 (15 U.S.C. 689 et seq.).

SEC. 3. DIVERSIFICATION OF NEW MARKETS VENTURE CAPITAL PROGRAM.

(a) SELECTION OF COMPANIES IN EACH GEOGRAPHIC REGION.—Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c) is amended by adding at the end the following:

''(f) GEOGRAPHIC REQUIREMENT.—In selecting companies to participate as New Markets Venture Capital companies in the program established under this part, the Administrator shall select, to the extent practicable, from among companies submitting applications under subsection (b), at least 1 company from each geographic region of the Administration.''.

(b) PARTICIPATION IN NEW MARKETS VENTURE CAPITAL PROGRAM.—

(1) ADMINISTRATION PARTICIPATION REQUIRED.—Section 353 of the Small Business Investment Act of 1958 (15 U.S.C. 689b) is amended in the matter preceding paragraph (1), by striking ''under which the Administrator may'' and inserting ''under which the Administrator shall''.

(2) SMALL MANUFACTURER PARTICIPATION AGREEMENTS REQUIRED.—Section 353 of the Small Business Investment Act of 1958 (15 U.S.C. 689b) is amended—

(A) by striking ''In accordance with this part,'' and inserting the following:

''(a) IN GENERAL.—In accordance with this part,'';

(B) in subsection (a)(1), as so designated by this paragraph, by inserting after ''section 352'' the following: ''(with at least 1 such agreement to be with a company engaged primarily in development of and investment in small manufacturers, to the extent practicable)''; and

(C) by adding at the end the following:

''(b) RULE OF CONSTRUCTION.—Subsection (a)(1) shall not be construed to authorize the Administrator to decline to enter into a participation agreement with a company solely on the basis that the company is not engaged primarily in development of and investment in small manufacturers.''.

SEC. 4. ESTABLISHMENT OF OFFICE OF NEW MARKETS VENTURE CAPITAL.

Title II of the Small Business Investment Act of 1958 (15 U.S.C. 671) is amended by adding at the end the following:

''SEC. 202. OFFICE OF NEW MARKETS VENTURE CAPITAL.

''(a) ESTABLISHMENT.—There is established in the Investment Division of the Administration, the Office of New Markets Venture Capital.

''(b) DIRECTOR.—The Office of New Markets Venture Capital shall be headed by a Director, who shall be a career appointee in the Senior Executive Service, as those terms are defined in section 3132 of title 5, United States Code.

''(c) RESPONSIBILITIES OF DIRECTOR.—The responsibilities of the Director of the Office of New Markets Venture Capital include—

''(1) to administer the New Markets Venture Capital Program under part B of title III;

''(2) to assess, not less frequently than once every 2 years, the nature and scope of the New Markets Venture Capital Program and to advise the Administrator on recommended changes to the program, based on such assessment;

''(3) to work to expand the number of small business concerns participating in the New Markets Venture Capital Program; and

''(4) to encourage investment in small manufacturing.''.

SEC. 5. LOW-INCOME GEOGRAPHIC AREAS.

(a) IN GENERAL.—Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689) is amended—

(1) by striking paragraphs (2) and (3) and inserting the following:

''(2) LOW-INCOME GEOGRAPHIC AREA.—The term 'low-income geographic area' has the meaning given the term 'low-income community' in section 45D of the Internal Revenue Code of 1986 (relating to the new markets tax credit).''; and

(2) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively.

(b) APPLICATION OF AMENDED DEFINITION TO CAPITAL REQUIREMENT.—The definition of a low-income geographic area in section 351(2) of the Small Business Investment Act of 1958, as amended by subsection (a), shall apply to private capital raised under section 354(d)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)(1)) before, on, or after the date of enactment of this Act.

SEC. 6. LIMITATION ON TIME FOR FINAL APPROVAL OF COMPANIES.

Section 354(d) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)) is amended by striking ''a period of time, not to exceed 2 years,'' and inserting ''2 years''.

SEC. 7. APPLICATIONS FOR NEW MARKETS VENTURE CAPITAL PROGRAM.

Not later than 60 days after the date of enactment of this Act, the Administrator shall prescribe standard documents for an application for final approval by a New Markets Venture Capital company under section 354(e) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(e)). The Administrator shall ensure that such documents are designed to substantially reduce the cost burden of the application process on a company making such an application.

SEC. 8. OPERATIONAL ASSISTANCE GRANTS.

Section 358(a)(4)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 689g(a)(4)(A)) is amended to read as follows:

''(A) NEW MARKETS VENTURE CAPITAL COMPANIES.—Notwithstanding section 354(d)(2), the amount of a grant made under this subsection to a New Markets Venture Capital company shall be equal to the lesser of—

''(i) 10 percent of the private capital raised by the company; or

''(ii) $1,000,000.''.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

Section 368(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689q(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''fiscal years 2001 through 2006'' and inserting ''fiscal years 2007 through 2010''; and

(2) in paragraph (2), by striking ''$30,000,000'' and inserting ''$20,000,000''.

Ms. SNOWE. Mr. President, as ranking member of the Senate Committee on Small Business and Entrepreneurship, I rise today to join with Chairman KERRY in introducing the Securing Equity for the Economic Development of Low Income Areas Act of 2007, a bill to reauthorize the New Markets Venture Capital, NMVC, Program. The NMVC program specializes in providing investment dollars to small businesses in underserved, low-wealth urban and rural communities.

Selected by the SBA through a competitive process, NMVC companies are privately owned and managed for-profit entities. They use their own private capital plus debentures obtained at favorable rates with SBA guarantees for investing. In addition, they provide technical assistance to the low-income enterprises in which they invest or intend to invest, by using private resources matched by the SBA in the form of operational assistance grants. While the Consolidated Appropriations Act of 2001, which established the program, contemplated 15 NMVC companies, unfortunately, only six NMVC companies have received final approval.

Despite the shortfall in the final numbers of approved companies, the NMVC program has achieved some remarkable success since Congress created it in 2000. According to the Community Development Venture Capital Alliance, as of March 31, 2006, the six NMVC companies had invested more than $13.4 million of capital into 29 small businesses. Not only have the NMVC Companies brought investment dollars to underinvested areas, but they have also created or maintained 1,626 jobs in low-income communities.

Although the statistics I have just cited pertain to the entire Nation, I want to share an example of how the NMVC program has been a tremendous benefit to my home State of Maine. In 2003, Mike Cote purchased Look's Canning Company in Whiting, ME, which had become one of the last of what had been dozens of canneries along Maine's coast. After changing the canning company's name to Look's Gourmet Food Company, Mike worked with Wiscasset, Maine, based Coastal Enterprises, Inc., a New Markets Venture Capital Company, to help grow the business. Look's Gourmet Food Company is now thriving by selling all-natural, high-quality, shelf-stable seafood products under the ''Bar Harbor T'' and ''Atlantic T'' brands all over the country. As Look's took off, it was able to create 18 new jobs with benefits in Maine's Washington County. That's no small feat for a company doing business in a county that had a 9.1 percent unemployment rate in February, the highest in Maine and more than double the national average. The bill introduced today will go a long way to assisting many low-income communities across America.

Other than reauthorizing the NMVC Program, this bill will make other changes to ensure the program is given the full opportunity to achieve its full potential. For example, the bill will

conform the definition of ''low-income geographic area'' used in the NMVC program to the definition of a ''low-income community'' as defined by the New Markets Tax Credit, NMTC, program. This amendment is beneficial because many investors participate in both the NMVC and NMTC programs, and a uniform definition between the two programs would improve coordination between the two programs. This change would allow NMVC companies to invest in businesses that benefit a low-income population, as well as businesses located in low-income census tracts. This flexibility to serve low income ''targeted populations'' would be particularly important for NMVC companies operating in states like Maine which have large rural areas with dispersed populations. Additionally, the bill ensures that all existing NMVC companies can take advantage of the amended targeting for investments made with the capital they have already raised.

The entrepreneurial spirit of our 26 million small businesses dates back to our Nation's founding. Small businesses are the cornerstone of economic growth and job creation, and it is critical that we support the NMVC program that enables aspiring entrepreneurs to obtain the crucial financing dollars they need to start and grow their businesses. As ranking member of the Senate Committee on Small Business and Entrepreneurship, I have long fought to ensure the success and vitality of our country's small business sector. An investment in small business is an investment in the long-term economic prosperity of America, and I encourage my colleagues to support this vital legislation.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 239—EXPRESSING THE SENSE OF THE SENATE THAT THE ADMINISTRATION SHOULD RIGOROUSLY ENFORCE THE LAWS OF THE UNITED STATES TO SUBSTANTIALLY REDUCE ILLEGAL IMMIGRATION AND GREATLY IMPROVE BORDER SECURITY

Mr. SESSIONS (for himself, Mr. DEMINT, Mrs. DOLE, Mr. GRASSLEY, and Mr. VITTER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 239

Whereas the President of the United States has the primary authority to employ Federal Government resources to enforce Federal immigration laws;

Whereas an estimated 40 percent of the estimated 12,000,000 to 20,000,000 illegal immigrants in the United States have overstayed their nonimmigrant visas;

Whereas the implementation of the United States Visitor and Immigrant Status Indicator Technology (US–VISIT) program would provide the Federal Government with information about whether people who entered the country on a short-term visa return to their countries of origin before such visas expire;

Whereas the decision of the Department of the Treasury to allow financial institutions to accept the Mexican matricula consular card as valid identification for the purpose of opening bank accounts encourages illegal immigrants to remain in the United States;

Whereas Federal Bureau of Investigation officials have testified under oath that the matricula consular card ''is not a reliable form of identification, due to the nonexistence of any means of verifying the true identity of the card holder'' and because the card is so vulnerable to fraud and forgery ''there are 2 major criminal threats posed by the cards, and 1 potential terrorist threat.'';

Whereas the current and previous Administrations have failed to enforce the legally binding affidavits of support signed by sponsors of immigrants;

Whereas the lack of such enforcement sends a message to immigrants that they can wrongfully take advantage of government benefits paid for by American taxpayers;

Whereas 98 percent of illegal immigrants arrested along the international border between the United States and Mexico between 2000 and 2005 were released across the border without prosecution, and many of such illegal immigrants were caught and released multiple times;

Whereas such a catch and return without prosecution policy encourages illegal immigrants to keep trying to enter illegally and creates a revolving door of illegal immigration;

Whereas the current and previous Administrations have largely ignored laws enacted as part of the Immigration Reform and Control Act of 1986 that impose fines on businesses that employ illegal workers;

Whereas in 2004, the Administration did not issue any final orders to employers for hiring illegal immigrants;

Whereas in 2005, the Administration issued only 10 such final orders;

Whereas not enforcing employer sanctions encourages the hiring of illegal immigrants and the easy availability of jobs acts as a magnet that attracts illegal immigrants;

Whereas neither the Department of Homeland Security nor the Department of Justice has filed suit to stop any of the 10 States that allow colleges and universities to offer in-State tuition rates to illegal immigrants in violation of section 505 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996;

Whereas such a policy unfairly burdens United States citizens because there are fewer places for legal residents in those colleges or universities and out-of-State students pay higher tuition than the tuition charged to illegal immigrants;

Whereas in some judicial jurisdictions alien smugglers will not be prosecuted by the United States Attorney's Office unless they are caught smuggling at least 12 illegal immigrants;

Whereas such a policy acts as an incentive for smugglers to continue their trade as long as they do not breach the arbitrary threshold for prosecution;

Whereas, as of June 2007, there are only 13,500 active border patrol agents, which is 1,306 less than the number Congress required be in place by the end of fiscal year 2007 under section 5202 of the Intelligence Reform and Terrorism Prevention Act of 2004;

Whereas more Border Patrol agents would help ensure effective control of the international border between the United States and Mexico;

Whereas, as of June 2007, there are only 27,500 detention beds for holding illegal immigrants, which is 15,944 less than the number Congress required be in use by the end of fiscal year 2007 under section 5204 of the Intelligence Reform and Terrorism Prevention Act of 2004;

Whereas additional detention beds would help ensure that all criminal aliens and individuals apprehended while crossing the border illegally are detained prior to prosecution and deportation;

Whereas, as of June 2007, there are only 5,571 immigration investigators, which is less than the number Congress required be in place by the end of fiscal year 2007 under section 5203 of the Intelligence Reform and Terrorism Prevention Act of 2004;

Whereas additional investigators would help ensure that sufficient worksite enforcement is performed to impose employer sanctions on those who hire illegal immigrants;

Whereas the Secure Fence Act of 2006 requires that more than 700 miles of fencing be built along the international border between the United States and Mexico;

Whereas as of June 5, 2007, only 87 miles of fencing exists, even though such fencing helps deter illegal border crossing;

Whereas the Department of Homeland Security may use expedited removal procedures for any illegal immigrants who have not been admitted or paroled into the United States and who have not affirmatively shown that they have been inside the United States for 2 years;

Whereas the Department of Homeland Security only uses expedited removal procedures for illegal immigrants who are apprehended within 100 miles of the United States border and within 14 days of entry to the Unites States even though wider use of expedited removal would help decrease the number of appeals of removal orders which clog the Federal court system;

Whereas the current Immigration Violators File in the National Crime Information Center (NCIC) database is being underutilized and could be expanded so that State and local law enforcement could help locate the more than 600,000 alien absconders living in the United States; and

Whereas the current illegal immigration crisis is a direct result of this and previous Administrations failing to enforce or adequately enforce at least 8 immigration laws passed by Congress and enacted by the current and previous Administrations: Now, therefore, be it

Resolved, That the Senate believes that—

(1) the Administration should—

(A) implement the entry and exit portions of the United States Visitor and Immigrant Status Indicator Technology (US–VISIT) as required under the Illegal Immigration Reform and Immigrant Responsibility Act of 1996;

(B) reverse the United States Treasury Department decision to allow financial institutions to accept the Mexican matricula consular cards as valid identification for the purpose of opening bank accounts;

(C) enforce legally binding affidavits of support signed by sponsors of immigrants;

(D) end the practice of catching illegal immigrants at the border and returning them without prosecution;

(E) enforce the employer sanctions contained in the Immigration Reform and Control Act of 1986.

(F) enforce section 505 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which prohibits in-State college tuition for illegal immigrants.

(G) require prosecution of anyone caught smuggling immigrants across the border regardless of how many immigrants are being smuggled.

(H) increase the number of full time border patrol agents by at least 1,306 by the end of

fiscal year 2007, as authorized by the Intelligence Reform and Terrorism Prevention Act of 2004;

(I) increase the number of detention beds for illegal immigrants by at least 15,944 by the end of fiscal year 2007, as authorized under the Intelligence Reform and Terrorism Prevention Act of 2004;

(J) increase the number of full time immigration investigators by at least 1,600 by the end of fiscal year 2007, as authorized by the Intelligence Reform and Terrorism Prevention Act of 2004;

(K) comply with the Secure Fence Act of 2006 by building over 700 miles of fencing along the international border between the United States and Mexico;

(L) increase the use of expedited removal procedures for all illegal immigrants eligible for removal under United States immigration laws; and

(M) expand the Immigration Violators File in the NCIC database to include information on aliens with final orders of removal, aliens with expired voluntary departure agreements, aliens whom Federal immigration officers have confirmed are unlawfully present, and aliens whose visas have been revoked; and

(2) taking the steps set forth in paragraph (1)—

(A) will lead to a substantial reduction in illegal immigration; and

(B) will greatly improve the border security of the United States.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1655. Mr. NELSON, of Florida (for himself and Mr. SANDERS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table.

SA 1656. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1657. Mr. ISAKSON submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1658. Mr. VITTER submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1659. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table .

SA 1660. Mr. INHOFE (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1661. Mr. CARPER submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1662. Ms. KLOBUCHAR (for herself, Mr. BOND, Mr. NELSON, of Nebraska, Mr. VOINOVICH, Mr. KERRY, and Mr. HAGEL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1663. Mr. MARTINEZ submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1664. Ms. KLOBUCHAR (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1665. Mr. SALAZAR (for himself and Mr. BROWN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1666. Mr. INHOFE (for himself, Mr. BURR, and Mrs. DOLE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1667. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1668. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1669. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1670. Ms. MURKOWSKI (for herself and Mr. STEVENS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1671. Ms. LANDRIEU submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1672. Mr. SCHUMER (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1673. Mr. BINGAMAN (for himself, Mr. DODD, Mr. ALLARD, Mr. REED, Mr. CRAPO, Mr. SCHUMER, Mr . MARTINEZ, Mr. CASEY, and Mr. BAYH) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1674. Mr. FEINGOLD submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1675. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1676. Mr. BROWN submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1677. Mr. BINGAMAN submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1678. Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1679. Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1680. Mr. HAGEL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1681. Mr. HAGEL (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1682. Mr. HAGEL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1683. Mr. VOINOVICH (for himself, Mr. CARPER, and Mr. INHOFE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1684. Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1685. Mr. HAGEL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1686. Mr. ALLARD submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1687. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1688. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1689. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1690. Mr. MENENDEZ (for himself and Mr. SANDERS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1691. Mr. WYDEN (for himself and Mr. SUNUNU) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1692. Ms. MURKOWSKI submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1693. Mr. BINGAMAN (for himself, Mrs. BOXER, and Mr. REID) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1694. Mr. BINGAMAN (for himself, Mrs. BOXER, and Mr. REID) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1695. Mr. BINGAMAN (for himself, Mrs. BOXER, and Mr. REID) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1696. Mr. NELSON, of Nebraska (for himself, Mr. CRAIG, Mr. CRAPO, Mr. KOHL, Mr. ALLARD, and Mr. THUNE) submitted an amendment intended to be proposed to

amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1697. Mr. WEBB submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1698. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1699. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1700. Ms. COLLINS submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1701. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill S. 1639, to provide for comprehensive immigration reform and for other purposes; which was ordered to lie on the table.

SA 1702. Ms. SNOWE (for herself and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table.

SA 1703. Ms. MURKOWSKI submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1704. Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. BINGAMAN, Ms. CANTWELL, Mr. WYDEN, Mr. SCHUMER, Mr. SALAZAR, and Ms. SNOWE) proposed an amendment to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra.

SA 1705. Mr. KERRY (for himself, Ms. CANTWELL, and Mr. TESTER) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1706. Mr. KERRY (for himself and Ms. SNOWE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1707. Mr. KERRY submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1708. Mr. TESTER (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1709. Mr. ENZI proposed an amendment to the bill S. 277, to modify the boundaries of Grand Teton National Park to include certain land within the GT Park Subdivision, and for other purposes.

SA 1710. Mr. FEINGOLD (for himself, Mr. SANDERS, and Mr. MENENDEZ) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table.

SA 1711. Mr. PRYOR (for himself, Mr. BOND, Mr. LEVIN, Mr. VOINOVICH, Ms. STABENOW, and Mrs. MCCASKILL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1712. Mr. PRYOR (for himself, Mr. BOND, Mr. LEVIN, Mr. VOINOVICH, Ms. STABENOW, and Mrs. MCCASKILL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1713. Mr. PRYOR (for himself, Mr. BOND, Mr. LEVIN, Mr. VOINOVICH, Ms. STABENOW, and Mrs. MCCASKILL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 1714. Mr. SCHUMER (for Mr. KENNEDY) proposed an amendment to the bill H.R. 1429, to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes.

SA 1715. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1655. Mr. NELSON of Florida (for himself and Mr. SANDERS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 241, line 5, strike ''35'' and insert ''40''.

SA 1656. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle F of title II, add the following:

SEC. 2___. ENERGY EFFICIENCY RESOURCE STANDARD FOR RETAIL ELECTRICITY AND NATURAL GAS DISTRIBUTORS.

Title VI of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended by adding at the end the following:

''SEC. 610. ENERGY EFFICIENCY RESOURCE STANDARD FOR RETAIL ELECTRICITY AND NATURAL GAS DISTRIBUTORS.

''(a) DEFINITIONS.—In this section:

''(1) BASE QUANTITY.—The term 'base quantity', with respect to a retail electricity or natural gas distributor, means the total quantity of electric energy or natural gas delivered by the retail electricity or natural gas distributor to retail customers (other than to an electricity distributor for purposes of electric generation) during the most recent calendar year for which information is available.

''(2) CHP SAVINGS.—

''(A) IN GENERAL.—The term 'CHP savings' means the increment of electric output of a new combined heat and power system that is attributable to the higher efficiency of the combined system (as compared to the efficiency of separate production of the electric and thermal outputs), as determined in accordance with such regulations as the Secretary may promulgate.

''(B) RELATED DEFINITION.—For purposes of subparagraph (A), the term 'new combined heat and power system' means a system that uses the same energy source for the generation of electrical or mechanical power and the production of steam or another form of useful thermal energy, if—

''(i) the facility at which the system is used meets such requirements relating to efficiency and other operating characteristics as the Secretary may promulgate by regulation;

''(ii) the net wholesale sales of electricity by the facility will not exceed 50 percent of total annual electric generation by the facility; and

''(iii) the facility commences operation after June 30, 2007.

''(3) CUSTOMER FACILITY SAVINGS.—The term 'customer facility savings' means a reduction in end-use electricity or natural gas consumption (including recycled energy savings) at a facility of an end-use consumer of electricity or natural gas served by a retail electricity or natural gas distributor, as compared to—

''(A) consumption at that facility during a base year;

''(B) in the case of new equipment, regardless of whether the new equipment replaces existing equipment at the end of the useful life of the existing equipment, consumption by new equipment of average efficiency; or

''(C) in the case of a new facility, consumption at a reference facility.

''(4) ELECTRICITY SAVINGS.—The term 'electricity savings' means, as determined in accordance with such regulations as the Secretary may promulgate—

''(A) customer facility savings of electricity consumption, adjusted to reflect any associated increase in fuel consumption at the facility;

''(B) reductions in distribution system losses of electricity achieved by a retail electricity distributor, as compared to losses attributable to new or replacement distribution system equipment of average efficiency (as defined in regulations to be promulgated by the Secretary); and

''(C) CHP savings.

''(5) NATURAL GAS SAVINGS.—The term 'natural gas savings' means, as determined in accordance with such regulations as the Secretary may promulgate—

''(A) customer facility savings of natural gas, adjusted to reflect any associated increase in electricity consumption at the facility; and

''(B) reductions in leakage, operational losses, and gas fuel consumption in the operation of a gas distribution system achieved by a retail gas distributor, as compared to similar losses during a base year.

''(6) RECYCLED ENERGY SAVINGS.—The term 'recycled energy savings' means a reduction in electricity or natural gas consumption that is attributable to electrical or mechanical power (or both), or thermal energy, produced by modifying an industrial or commercial system that was in operation before July 1, 2007, in order to recapture energy that would otherwise be wasted.

''(7) RETAIL ELECTRICITY OR NATURAL GAS DISTRIBUTOR.—The term 'retail electricity or natural gas distributor' means a person or Federal or State agency that—

''(A) owns or operates an electric or natural gas distribution facility; and

''(B) using the facility, delivers to consumers of the energy that are not affiliated with, and that are not lessees or tenants of, the person or agency, during the most recent calendar year for which data are available—

''(i) more than 800,000 megawatt hours of electricity; or

''(ii) more than 1,000,000,000 cubic feet of natural gas.

''(8) VERIFIED ELECTRICITY OR NATURAL GAS SAVINGS.—The term 'verified electricity or natural gas savings' means electricity savings or natural gas savings that meet the requirements of subsection (c).

''(b) PERFORMANCE STANDARD.—

''(1) IN GENERAL.—For calendar year 2010, and each calendar year thereafter, each retail electricity or natural gas distributor shall submit to the Secretary, by not later than March 31 of the calendar year after the applicable calendar year, a number of credits issued under subsection (d) equal to the following percentages of the base quantity of the retail electricity or natural gas distributor applicable to the calendar year:

Year	Electricity Credits (%)	Natural Gas Credits (%)
2010	0.5	0.3
2011	1.25	0.6
2012	2.0	1.0
2013	3.0	1.5
2014	4.0	2.0
2015	5.0	2.5
2016	6.0	3.0
2017	7.0	3.5
2018	8.0	4.0
2019	9.0	4.5
2020	10.0	5.0

''(2) SUBSEQUENT CALENDAR YEARS.—For calendar year 2021 and each calendar year thereafter, each retail electricity or natural gas distributor shall submit to the Secretary, by not later than March 31 of the calendar year after the applicable calendar year, a number of credits issued under subsection (d) equal to such a percentage of the base quantity of the retail electricity or natural gas distributor as the Secretary may determine, by regulation, but in no case less than the applicable percentage for calendar year 2020.

''(c) MEASUREMENT AND VERIFICATION OF SAVINGS.—Not later than June 30, 2009, the Secretary shall promulgate regulations regarding measurement and verification of electricity and natural gas savings under this section, including—

''(1) procedures and standards for defining and measuring electricity savings and natural gas savings that will be eligible to receive credits under subsection (d)(2), which shall—

''(A) specify the types of energy efficiency and energy conservation measures that will be eligible for the credits;

''(B) require that energy consumption estimates for customer facilities or portions of facilities in the applicable base and current years be adjusted, as appropriate, to account for changes in weather, level of production, and building area;

''(C) account for the useful life of electricity savings measures;

''(D) include deemed savings values for specific, commonly-used efficiency measures;

''(E) specify the extent to which electricity savings and natural gas savings attributable to measures carried out before July 1, 2007, are eligible to receive credits under this section; and

''(F) exclude savings that—

''(i) are not properly attributable to measures carried out by the entity seeking the credit (or a designated agent of the entity); or

''(ii) have already been credited under this section to another entity; and

''(2) procedures and standards for third-party verification of reported electricity savings or natural gas savings.

''(d) CREDIT AND TRADING SYSTEM.—

''(1) CREDIT REGULATIONS.—

''(A) IN GENERAL.—Not later than June 30, 2009, the Secretary shall promulgate regulations regarding—

''(i) the issuance of credits under this section;

''(ii) a national credit trading system; and

''(iii) a system for independent monitoring of the market for the credits.

''(B) LIMITATIONS.—In promulgating regulations under subparagraph (A), the Secretary may establish such limitations as the Secretary determines to be appropriate with respect to the extent to which a retail electricity or natural gas distributor may achieve compliance with subsection (b) by submitting credits issued for electricity or natural gas savings that are not customer facility savings at a facility served by the retail electricity or natural gas distributor.

''(C) REQUIREMENT.—In promulgating regulations under subparagraph (A), the Secretary shall provide for the issuance of appropriate credits for the mechanical output of new combined heat and power systems.

''(2) ISSUANCE OF CREDITS.—In accordance with the regulations promulgated under paragraph (1), the Secretary shall issue credits for—

''(A) verified electricity and natural gas savings achieved by a retail electricity or natural gas distributor in a certain calendar year; and

''(B) verified electricity and natural gas savings achieved by other entities (including State agencies), if—

''(i)(I) no retail electricity or natural gas distributor paid a substantial portion of the cost of achieving the savings; or

''(II) if a retail electricity or natural gas distributor paid a substantial portion of the cost of achieving the savings, the retail electricity or natural gas distributor has waived any entitlement to the credit; and

''(ii) the measures used to achieve the verified electricity and natural gas savings were installed or placed in operation by the entity seeking certification (or a designated agent of the entity).

''(3) VALUE OF CREDITS.—A credit issued by the Secretary under this subsection shall have a value of—

''(A) 1,000 kilowatt-hours, in the case of an electricity savings credit; or

''(B) 10 therms, in the case of a natural gas savings credit.

''(4) FEE.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall charge the recipient of a credit under this section a fee in an amount equal to, as determined by the Secretary, the administrative costs of issuing, recording, monitoring the sale or exchange of, and receiving the credit.

''(B) MAXIMUM AMOUNT.—Notwithstanding subparagraph (A), the amount of a fee under this paragraph shall be not more than, as applicable—

''(i) $1 for a electric credit; or

''(ii) $0.10 for a natural gas credit.

''(C) USE OF FUNDS.—The Secretary shall use fees received under this paragraph for the administrative costs of carrying out this subsection.

''(5) CREDIT SALE AND USE.—In accordance with regulations promulgated under paragraph (1), any entity that receives a credit under this section may—

''(A) sell or transfer the credit to any other entity; or

''(B) use the credit to achieve compliance with the performance standard under subsection (b).

''(e) BUYOUT OPTION.—In lieu of submitting credits to achieve compliance with an applicable performance standard under subsection (b) for a calendar year, a retail electricity or natural gas distributor may pay to the Secretary, by not later than March 31 of the following calendar year, a buyout fee in an amount equal to, as adjusted for inflation in accordance with such regulations as the Secretary may promulgate—

''(1) $20 for each electricity savings credit otherwise required to be submitted by the retail electricity or natural gas distributor; or

''(2) $2 for each natural gas savings credit otherwise required to be submitted by the retail electricity or natural gas distributor.

''(f) STATE ADMINISTRATION.—On receipt of an application from the Governor of a State, the Secretary may authorize the State to administer and enforce an energy efficiency program in the State in lieu of the program under this section, if the Secretary determines that the State program will achieve electricity savings and natural gas savings at least equivalent to the electricity savings and natural gas savings that would be required to be achieved by electricity and natural gas distributors in the State under this section.

''(g) INFORMATION AND REPORTS.—In accordance with section 13 of the Federal Energy Administration Act of 1974 (15 U.S.C. 774), the Secretary may require any retail electricity or natural gas distributor or other entity that receives a credit under this section, and any other entity as the Secretary determines to be necessary, to provide such information and reports, and access to any records or facility of the entity, as the Secretary determines to be appropriate to carry out this section.

''(h) ENFORCEMENT.—

''(1) FAILURE TO SUBMIT CREDITS.—Except in a case in which a State program is carried out in lieu of the program under this section under subsection (f), if a retail electricity or natural gas distributor fails to submit to the Secretary any credit required for compliance with the applicable performance standard under subsection (b), or to pay to the Secretary an applicable buyout payment under subsection (e), the Secretary shall assess against the retail electricity or natural gas distributor a civil penalty for each such failure in an amount equal to, as adjusted for inflation in accordance with such regulations as the Secretary may promulgate—

''(A) $100 for each electricity savings credit or buyout payment failed to be made by the retail electricity or natural gas distributor; or

''(B) $10 for each natural gas savings credit or buyout payment failed to be made by the retail electricity or natural gas distributor.

''(2) PROCEDURE.—The procedures under section 31(c) of the Federal Power Act (16 U.S.C. 823b(c)) shall apply to a civil penalty assessed under paragraph (1).

''(i) STATE LAW.—Nothing in this section supersedes or otherwise affects any State or local law (including regulations) relating to electricity savings or natural gas savings, to the extent that the State or local law requires equal or greater electricity savings or natural gas saving than the savings required by this section.''.

SA 1657. Mr. ISAKSON submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 251, line 14, strike ''(e)'' and insert the following:

(e) ALTERNATIVE FUEL ECONOMY STANDARDS FOR LOW VOLUME MANUFACTURERS AND NEW ENTRANTS.—Section 32902(d) of title 49, United States Code, is amended to read as follows:

''(d) ALTERNATIVE AVERAGE FUEL ECONOMY STANDARD.—

''(1) IN GENERAL.—Upon the application of an eligible manufacturer, the Secretary of Transportation may prescribe an alternative average fuel economy standard for automobiles manufactured by that manufacturer if the Secretary determines that—

''(A) the applicable standard prescribed under subsection (a), (b), or (c) is more stringent than the maximum feasible average fuel economy level that manufacturer can achieve; and

''(B) the alternative average fuel economy standard prescribed under this subsection is the maximum feasible average fuel economy level that manufacturer can achieve.

''(2) APPLICATION OF ALTERNATIVE STANDARD.—The Secretary may provide for the application of an alternative average fuel economy standard prescribed under paragraph (1) to—

''(A) the manufacturer that applied for the alternative average fuel economy standard;

''(B) all automobiles to which this subsection applies; or

''(C) classes of automobiles manufactured by eligible manufacturers.

''(3) IMPORTERS.—Notwithstanding paragraph (1), an importer registered under section 30141(c) may not be exempted as a manufacturer under paragraph (1) for an automobile that the importer—

''(A) imports; or

''(B) brings into compliance with applicable motor vehicle safety standards prescribed under chapter 301 for an individual described in section 30142.

''(4) APPLICATION.—The Secretary of Transportation may prescribe the contents of an application for an alternative average fuel economy standard.

''(5) ELIGIBLE MANUFACTURER DEFINED.—In this section, the term 'eligible manufacturer' means a manufacturer that—

''(A) is not owned in part or in whole by another manufacturer that sold greater than 0.5 percent of the number of automobiles sold in the United States in the model year prior to the model year to which the application relates.

''(B) sold in the United States fewer than 0.5 percent of the number of automobiles sold in the United States in the model year that is 2 years before the model year to which the application relates; and

''(C) will sell in the United States fewer than 0.5 percent of the automobiles sold in the United States for the model year for which the alternative average fuel economy standard will apply.''.

(f)

SA 1658. Mr. VITTER submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. USE OF COASTAL IMPACT ASSISTANCE TO IMPROVE HURRICANE OR FLOOD PROTECTION IN RESPONSE TO HURRICANE KATRINA OR RITA.

Section 31(d)(3) of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a(d)(3)) is amended—

(1) by striking ''Not'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), no''; and

(2) by adding at the end the following:

''(B) USE FOR HURRICANE OR FLOOD PROTECTION IN RESPONSE TO CERTAIN HURRICANES.—Subparagraph (A) shall not apply to the extent that the 1 or more purposes are designed to improve the level of hurricane or flood protection in an area declared to be a major disaster in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) in response to Hurricane Katrina or Rita during calendar year 2005.''.

SA 1659. Mr. SUNUNU submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SECTION __. CREDIT FOR BIOMASS FUEL PROPERTY EXPENDITURES.

(a) ALLOWANCE OF CREDIT.—Subsection (a) of section 25D (relating to allowance of credit), as amended by this Act, is amended—

(1) by striking ''and'' at the end of paragraph (3),

(2) by striking the period at the end of paragraph (4) and inserting '', and'', and

(3) by adding at the end the following new paragraph:

''(5) 30 percent of the qualified biomass fuel property expenditures made by the taxpayer during such year.''.

(b) MAXIMUM CREDIT.—Paragraph (1) of section 25D(b) (relating to maximum credit), as amended by this Act, is amended—

(1) by striking ''and'' at the end of subparagraph (C),

(2) by striking the period at the end of subparagraph (D) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(E) $4,000 with respect to any qualified biomass fuel property expenditures.''.

(c) MAXIMUM EXPENDITURES.—Subparagraph (A) of section 25D(e)(4) (relating to maximum expenditures in case of joint occupancy) is amended—

(1) by striking ''and'' at the end of clause (ii),

(2) by striking the period at the end of clause (iii) and inserting '', and'', and

(3) by adding at the end the following new clause:

''(iv) $13,334 in the case of any qualified biomass fuel property expenditures.''.

(d) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURES.—Subsection (d) of section 25D (relating to definitions), as amended by this Act, is amended by adding at the end the following new paragraph:

''(5) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified biomass fuel property expenditure' means an expenditure for property—

''(i) which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and

''(ii) which has a thermal efficiency rating of at least 75 percent.

''(B) BIOMASS FUEL.—For purposes of this section, the term 'biomass fuel' means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.''.

(e) EFFECTIVE DATE.—The amendments made by this subsection shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2007.

SA 1660. Mr. INHOFE (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

Strike sections 402 through 404 and insert the following:

SEC. 402. COST-EFFECTIVE AND GEOTHERMAL HEAT PUMP TECHNOLOGY ACCELERATION PROGRAM.

(a) DEFINITION OF ADMINISTRATOR.—In this section, the term ''Administrator'' means the Administrator of General Services.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Administrator shall establish a program to accelerate the use of more cost-effective technologies and practices and geothermal heat pumps at GSA facilities.

(2) REQUIREMENTS.—The program established under this subsection shall—

(A) ensure centralized responsibility for the coordination of cost reduction-related and geothermal heat pump-related recommendations, practices, and activities of all relevant Federal agencies;

(B) provide technical assistance and operational guidance to applicable tenants to achieve the goal identified in subsection (c)(2)(B)(ii); and

(C) establish methods to track the success of Federal departments and agencies with respect to that goal.

(c) ACCELERATED USE OF TECHNOLOGIES.—

(1) REVIEW.—

(A) IN GENERAL.—As part of the program under this section, not later than 90 days after the date of enactment of this Act, the Administrator shall conduct a review of—

(i) current use of cost-effective lighting technologies and geothermal heat pumps in GSA facilities; and

(ii) the availability to managers of GSA facilities of cost-effective lighting technologies and geothermal heat pumps.

(B) REQUIREMENTS.—The review under subparagraph (A) shall—

(i) examine the use of cost-effective lighting technologies, geothermal heat pumps, and other cost-effective technologies and practices by Federal agencies in GSA facilities; and

(ii) as prepared in consultation with the Administrator of the Environmental Protection Agency, identify cost-effective lighting technology and geothermal heat pump technology standards that could be used for all types of GSA facilities.

(2) REPLACEMENT.—

(A) IN GENERAL.—As part of the program under this section, not later than 180 days after the date of enactment of this Act, the Administrator shall establish, using available appropriations, a cost-effective lighting technology and geothermal heat pump technology acceleration program to achieve maximum feasible replacement of existing lighting, heating, cooling technologies with cost-effective lighting technologies and geothermal heat pump technologies in each GSA facility.

(B) ACCELERATION PLAN TIMETABLE.—

(i) IN GENERAL.—To implement the program established under subparagraph (A), not later than 1 year after the date of enactment of this Act, the Administrator shall establish a timetable, including milestones for specific activities needed to replace existing lighting, heating, cooling technologies with cost-effective lighting technologies and geothermal heat pump technologies, to the maximum extent feasible (including at the maximum rate feasible), at each GSA facility.

(ii) GOAL.—The goal of the timetable under clause (i) shall be to complete, using available appropriations, maximum feasible replacement of existing lighting, heating, and cooling technologies with cost-effective lighting technologies and geothermal heat pump technologies by not later than the date that is 5 years after the date of enactment of this Act.

(d) GSA FACILITY TECHNOLOGIES AND PRACTICES.—Not later than 180 days after the date of enactment of this Act, and annually thereafter, the Administrator shall—

(1) ensure that a manager responsible for accelerating the use of cost-effective technologies and practices and geothermal heat pump technologies is designated for each GSA facility; and

(2) submit to Congress a plan, to be implemented to the maximum extent feasible (including at the maximum rate feasible) using available appropriations, by not later than the date that is 5 years after the date of enactment of this Act, that—

(A) with respect to cost-effective technologies and practices—

(i) identifies the specific activities needed to achieve a 20-percent reduction in operational costs through the application of cost-effective technologies and practices from 2003 levels at GSA facilities by not later than 5 years after the date of enactment of this Act; and

(ii) describes activities required and carried out to estimate the funds necessary to achieve the reduction described in clause (i);

(B) includes an estimate of the funds necessary to carry out this section;

(C) describes the status of the implementation of cost-effective technologies and practices and geothermal heat pump technologies and practices at GSA facilities, including—

(i) the extent to which programs, including the program established under subsection (b), are being carried out in accordance with this subtitle; and

(ii) the status of funding requests and appropriations for those programs;

(D) identifies within the planning, budgeting, and construction processes, all types of GSA facility-related procedures that inhibit new and existing GSA facilities from implementing cost-effective technologies or geothermal heat pump technologies;

(E) recommends language for uniform standards for use by Federal agencies in implementing cost-effective technologies and practices and geothermal heat pump technologies and practices;

(F) in coordination with the Office of Management and Budget, reviews the budget process for capital programs with respect to alternatives for—

(i) permitting Federal agencies to retain all identified savings accrued as a result of the use of cost-effective technologies and geothermal heat pump technologies; and

(ii) identifying short- and long-term cost savings that accrue from the use of cost-effective technologies and practices and geothermal heat pump technologies and practices;

(G)(i) with respect to geothermal heat pump technologies, achieves substantial operational cost savings through the application of the technologies; and

(ii) with respect to cost-effective technologies and practices, achieves cost savings through the application of cost-effective technologies and practices sufficient to pay the incremental additional costs of installing the cost-effective technologies and practices by not later than the date that is 5 years after the date of installation; and

(H) includes recommendations to address each of the matters, and a plan for implementation of each recommendation, described in subparagraphs (A) through (G).

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section, to remain available until expended.

SEC. 403. ENVIRONMENTAL PROTECTION AGENCY DEMONSTRATION GRANT PROGRAM FOR LOCAL GOVERNMENTS.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency (referred to in this section as the ''Administrator'') shall establish a demonstration program under which the Administrator shall provide competitive grants to assist local governments (such as municipalities and counties), with respect to local government buildings—

(A) to deploy cost-effective technologies and practices; and

(B) to achieve operational cost savings, through the application of cost-effective technologies and practices, as verified by the Administrator.

(2) COST SHARING.—

(A) IN GENERAL.—The Federal share of the cost of an activity carried out using a grant provided under this section shall be 40 percent.

(B) WAIVER OF NON-FEDERAL SHARE.—The Administrator may waive up to 100 percent of the local share of the cost of any grant under this section should the Administrator determine that the community is economically distressed, pursuant to objective economic criteria established by the Administrator in published guidelines.

(3) MAXIMUM AMOUNT.—The amount of a grant provided under this subsection shall not exceed $1,000,000.

(b) GUIDELINES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue guidelines to implement the grant program established under subsection (a).

(2) REQUIREMENTS.—The guidelines under paragraph (1) shall establish—

(A) standards for monitoring and verification of operational cost savings

through the application of cost-effective technologies and practices reported by grantees under this section;

(B) standards for grantees to implement training programs, and to provide technical assistance and education, relating to the retrofit of buildings using cost-effective technologies and practices; and

(C) a requirement that each local government that receives a grant under this section shall achieve facility-wide cost savings, through renovation of existing local government buildings using cost-effective technologies and practices, of at least 40 percent as compared to the baseline operational costs of the buildings before the renovation (as calculated assuming a 3-year, weather-normalized average).

(c) COMPLIANCE WITH STATE AND LOCAL LAW.—Nothing in this section or any program carried out using a grant provided under this section supersedes or otherwise affects any State or local law, to the extent that the State or local law contains a requirement that is more stringent than the relevant requirement of this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2007 through 2012.

(e) REPORTS.—

(1) IN GENERAL.—The Administrator shall provide annual reports to Congress on cost savings achieved and actions taken and recommendations made under this section, and any recommendations for further action.

(2) FINAL REPORT.—The Administrator shall issue a final report at the conclusion of the program, including findings, a summary of total cost savings achieved, and recommendations for further action.

(f) TERMINATION.—The program under this section shall terminate on September 30, 2012.

SEC. 404. DEFINITIONS.

In this subtitle:

(1) COST-EFFECTIVE LIGHTING TECHNOLOGY.—

(A) IN GENERAL.—The term ''cost-effective lighting technology'' means a lighting technology that—

(i) will result in substantial operational cost savings by ensuring an installed consumption of not more than 1 watt per square foot; or

(ii) is contained in a list under—

(I) section 553 of Public Law 95–619 (42 U.S.C. 8259b); and

(II) Federal acquisition regulation 23–203.

(B) INCLUSIONS.—The term ''cost-effective lighting technology'' includes—

(i) lamps;

(ii) ballasts;

(iii) luminaires;

(iv) lighting controls;

(v) daylighting; and

(vi) early use of other highly cost-effective lighting technologies.

(2) COST-EFFECTIVE TECHNOLOGIES AND PRACTICES.—The term ''cost-effective technologies and practices'' means a technology or practice that—

(A) will result in substantial operational cost savings by reducing utility costs; and

(B) complies with the provisions of section 553 of Public Law 95–619 (42 U.S.C. 8259b) and Federal acquisition regulation 23–203.

(3) OPERATIONAL COST SAVINGS.—

(A) IN GENERAL.—The term ''operational cost savings'' means a reduction in end-use operational costs through the application of cost-effective technologies and practices or geothermal heat pumps, including a reduction in electricity consumption relative to consumption by the same customer or at the same facility in a given year, as defined in guidelines promulgated by the Administrator pursuant to section 403(b), that achieves cost savings sufficient to pay the incremental additional costs of using cost-effective technologies and practices or geothermal heat pumps by not later than—

(i) for cost-effective technologies and practices, the date that is 5 years after the date of installation; and

(ii) for geothermal heat pumps, as soon as practical after the date of installation of the applicable geothermal heat pump.

(B) INCLUSIONS.—The term ''operational cost savings'' includes savings achieved at a facility as a result of—

(i) the installation or use of cost-effective technologies and practices; or

(ii) the planting of vegetation that shades the facility and reduces the heating, cooling, or lighting needs of the facility.

(C) EXCLUSION.—The term ''operational cost savings'' does not include savings from measures that would likely be adopted in the absence of cost-effective technology and practices programs, as determined by the Administrator.

(4) GEOTHERMAL HEAT PUMP.—The term ''geothermal heat pump'' means any heating or air conditioning technology that—

(A) uses the ground or ground water as a thermal energy source to heat, or as a thermal energy sink to cool, a building; and

(B) meets the requirements of the Energy Star program of the Environmental Protection Agency applicable to geothermal heat pumps on the date of purchase of the technology.

(5) GSA FACILITY.—

(A) IN GENERAL.—The term ''GSA facility'' means any building, structure, or facility, in whole or in part (including the associated support systems of the building, structure, or facility) that—

(i) is constructed (including facilities constructed for lease), renovated, or purchased, in whole or in part, by the Administrator for use by the Federal Government; or

(ii) is leased, in whole or in part, by the Administrator for use by the Federal Government—

(I) except as provided in subclause (II), for a term of not less than 5 years; or

(II) for a term of less than 5 years, if the Administrator determines that use of cost-effective technologies and practices would result in the payback of expenses.

(B) INCLUSION.—The term ''GSA facility'' includes any group of buildings, structures, or facilities described in subparagraph (A) (including the associated energy-consuming support systems of the buildings, structures, and facilities).

(C) EXEMPTION.—The Administrator may exempt from the definition of ''GSA facility'' under this paragraph a building, structure, or facility that meets the requirements of section 543(c) of Public Law 95–619 (42 U.S.C. 8253(c)).

SA 1661. Mr. CARPER submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. MODIFICATION OF EMISSION STANDARD FOR NEW QUALIFIED ADVANCED LEAN BURN MOTOR VEHICLE CREDIT.

Subclause (I) of section 30B(c)(3)(A)(iv) of the Internal Revenue Code of 1986 is amended by inserting ''(the Bin 8 Tier II emission standard so established in the case of a 2009 model vehicle)'' after ''model year vehicle''.

SA 1662. Ms. KLOBUCHAR (for herself, Mr. BOND, Mr. NELSON of Nebraska, Mr. VOINOVICH, Mr. KERRY, and Mr. HAGEL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title I, add the following:

SEC. 131. RENEWABLE FUELS INFRASTRUCTURE DEVELOPMENT.

(a) DEFINITION OF RENEWABLE FUEL.—In this section, the term ''renewable fuel'' means—

(1) any fuel at least 85 percent of the volume of which consists of ethanol; and

(2) any mixture of biodiesel (as defined in section 40A(d)(1) of the Internal Revenue Code of 1986) and diesel fuel (as defined in section 4083(a)(3) of that Code), determined without regard to any use of kerosene, that contains at least 20 percent biodiesel.

(b) INFRASTRUCTURE DEVELOPMENT GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall provide grants to retail and wholesale motor fuel dealers and other entities for the installation, replacement, or conversion of motor fuel storage and dispensing infrastructure that will be used exclusively to store and dispense renewable fuel, including equipment used in the blending, distribution, and transport of those fuels.

(2) APPLICATION.—

(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(B) COMBINED APPLICATIONS.—

(i) IN GENERAL.—A local government entity or a nonprofit entity may submit to the Secretary an application to receive a grant under this subsection—

(I) on behalf of a group of retailers within a certain geographical area; or

(II) to carry out a regional or multistate deployment project.

(ii) INCLUSIONS.—An application under clause (i) shall include—

(I) a description of the proposed project of the local government entity or a nonprofit entity;

(II) a certification of the ability of the local government entity or nonprofit entity to provide the non-Federal share of the cost of the proposed project, as required under subsection (e); and

(III) a list containing the name and location of each retailer that will receive the funds.

(c) RETAIL TECHNICAL AND MARKETING ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall offer to enter into contracts with entities with

demonstrated experience in assisting retail fueling stations in installing refueling systems and marketing renewable fuels nationally, for the provision of technical and marketing assistance to recipients of grants under this section.

(2) INCLUSIONS.—Assistance provided under paragraph (1) shall include—

(A) technical advice relating to compliance with applicable Federal and State environmental requirements;

(B) help in identifying supply sources and securing long-term contracts; and

(C) the provision of public outreach, education, and labeling materials.

(3) ALLOCATION.—Of amounts made available to carry out the grant program under subsection (b), the Secretary shall reserve not less than 15 percent for the provision of technical and marketing assistance under this subsection.

(d) SELECTION CRITERIA.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish criteria for evaluating applications for grants under this section in a manner that will maximize the availability and use of renewable fuels, including criteria that provide for priority consideration for applications that, as determined by the Secretary—

(1) are most likely to maximize displacement of petroleum consumption, measured as a total quantity and a percentage;

(2) are best able to incorporate existing infrastructure while maximizing, to the extent practicable, the use of renewable fuels; and

(3) demonstrate—

(A) the greatest commitment on the part of the applicant to ensure funding for the proposed project; and

(B) the greatest likelihood that the project will be maintained or expanded after the assistance provided under this section is expended.

(e) LIMITATION.—The amount of assistance provided to an entity under this section shall not exceed, as applicable—

(1) an amount equal to 20 percent of the estimated cost of the installation, replacement, or conversion of motor fuel storage and dispensing infrastructure; or

(2) $100,000 for a combination of equipment at any retail outlet location.

(f) REGULATIONS.—The Secretary shall promulgate such regulations as the Secretary determines to be necessary to carry out this section, including regulations requiring entities that receive assistance under this section—

(1) to provide to the public renewable fuel;

(2) to establish a marketing plan that informs consumers of the price and availability of the renewable fuel;

(3) to clearly label renewable fuel dispensers and related equipment; and

(4) to submit to the Secretary periodic reports on the status of—

(A) the renewable fuel sales of the entity;

(B) the type and quantity of renewable fuel dispensed at each location of the entity; and

(C) the average price of the renewable fuel.

(g) NOTIFICATION REQUIREMENTS.—

(1) IN GENERAL.—On or before the date on which an renewable fuel station for which assistance is provided under this section opens to offer renewable fuel to the public, the owner or operator of the station shall submit to the Secretary a notice of the opening.

(2) ACTION BY SECRETARY.—On receipt of a notice under paragraph (1), the Secretary shall include the name and location of the applicable renewable fuel station on a list to be published and maintained on the website of the Secretary.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $25,000,000, to remain available until expended.

SA 1663. Mr. MARTINEZ submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 27, after line 23, add the following:

SEC. 1___. SUBSTANTIALLY SIMILAR FUELS.

(a) TREATMENT OF CERTAIN GASOLINE.—Section 211(f)(1) of the Clean Air Act (42 U.S.C. 7545(f)(1) is amended by adding at the end the following:

''(C) TREATMENT OF CERTAIN GASOLINE.—

''(i) IN GENERAL.—For the purpose of this subsection, gasoline described in clause (ii) shall be considered to be substantially similar to any fuel or fuel additive used in the certification of any model year 1975 vehicle or engine.

''(ii) DESCRIPTION OF GASOLINE.—Gasoline referred to in clause (i) is gasoline that contains—

''(I) not more than 3.7 percent oxygen, by weight, such that the oxygen weight of gasoline is not greater than the equivalent oxygen weight in E–10 gasoline: or

''(II) a greater quantity of oxygen, as the Administrator may determine by regulation.''.

(b) RULEMAKING.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall conduct a rulemaking to revise regulations under section 80.27 of title 40, Code of Federal Regulations (as in effect on the date of enactment of this Act), promulgated under section 211(h) of the Clean Air Act (42 U.S.C. 7545(h)), to clarify the maximum allowable quantity of ethanol, in fuels that are considered to be substantially similar and permitted to be introduced into commerce under section 211(f) of that Act (42 U.S.C. 7545(f)), that may be replaced by biobutanol and other higher-molecular-weight alcohol cosolvents.

(2) EFFECT OF SECTION.—Except with respect to the rulemaking required under paragraph (1), nothing in this section or the amendment made by subsection (a) affects section 211(h) of the Clean Air Act (42 U.S.C. 7545(h)).

SA 1664. Ms. KLOBUCHAR (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 47, after line 23, add the following:

SEC. 131. RIGHT TO RETAIL RENEWABLE FUEL.

(a) PROHIBITION ON RESTRICTION OF INSTALLATION OF ALTERNATIVE FUEL PUMPS.—Title I of the Petroleum Marketing Practices Act (15 U.S.C. 2801 et seq.) is amended by adding at the end the following:

''SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLATION OF ALTERNATIVE FUEL PUMPS.

''(a) DEFINITIONS.—In this section—

''(1) the term 'alternative fuel' means any fuel—

''(A) at least 85 percent of the volume (or any other percentage, but not less than 70 percent, as determined by the Secretary, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, or any combination of such fuels; or

''(B) that consists of any mixture of biodiesel (as defined in section 40A(d)(1) of the Internal Revenue Code of 1986) and diesel fuel (as defined in section 4083(a)(3) of the Internal Revenue Code of 1986), determined without regard to any use of kerosene and containing at least 20 percent biodiesel; and

''(2) the term 'franchise-related document' means—

''(A) a franchise under this Act; and

''(B) any other contract or directive of a franchisor related to terms or conditions of the sale of fuel by a franchisee.

''(b) PROHIBITIONS.—(1) Notwithstanding any provision of a franchise-related document in effect on the date of the enactment of this section, a franchisee or affiliate of a franchisee may not be restricted from—

''(A) installing on the marketing premises of the franchisee an alternative fuel pump;

''(B) converting an existing tank and pump on the marketing premises of the franchisee for alternative fuel use;

''(C) advertising (including through the use of signage or logos) the sale of any alternative fuel; or

''(D) selling alternative fuel in any specified area on the marketing premises of the franchisee (including any area in which a name or logo of a franchisor or any other entity appears).

''(2)(A) Any restriction described in paragraph (1) that is contained in a franchise-related document and in effect on the date of enactment of this section—

''(i) shall be considered to be null and void as of that date; and

''(ii) may not be enforced under section 105.

''(B)(i) It shall be an unfair or deceptive act or practice in or affecting commerce (within the meaning of subsections (a)(1) and (n) of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)) for any person to violate the requirements of this section. For purposes of the Federal Trade Commission Act (15 U.S.C. 41 et seq.), including any remedy or penalty applicable to any violation of such Act, such a violation shall be treated as a violation of a rule under such Act respecting unfair or deceptive acts or practices.

''(ii) The Federal Trade Commission shall enforce the requirements of this section. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person subject to the jurisdiction of the Commission with the requirements imposed under this section.

''(c) EXCEPTION TO 3-GRADE REQUIREMENT.—A franchise-related document that requires that 3 grades of gasoline be sold by the applicable franchisee shall not prevent the franchisee from selling an alternative fuel instead of 1 grade of gasoline.''.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 101(13)(C) of the Petroleum Marketing Practices Act (15 U.S.C. 2801(13)(C)) is amended by striking ''(C)'' and all that follows through ''failure'' and inserting the following:

''(C) any failure''.

(2) TABLE OF CONTENTS.—The table of contents for such Act (15 U.S.C. 2801 note) is

amended by inserting after the item relating to section 106 the following:

''Sec. 107. Prohibition on restriction of installation of alternative fuel pumps.''.

SA 1665. Mr. SALAZAR (for himself and Mr. BROWN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 117, strike line 21 and all that follows through page 118, line 7, and insert the following:

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a research and development program to determine ways in which—

(1) the weight of vehicles may be reduced to improve fuel efficiency without compromising passenger safety;

(2) new materials (including cast metal composite materials) with a higher strength to weight ratio may be developed;

(3) the cost of lightweight materials (such as steel alloys, fiberglass, and metal and carbon composites) required for the construction of lighter-weight vehicles may be reduced; and

(4) the efficiency of automated manufacturing processes to produce materials with a higher strength to weight ratio may be improved.

SA 1666. Mr. INHOFE (for himself, Mr. BURR, and Mrs. DOLE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title I, add the following:

SEC. 113. AGRICULTURE EQUITY.

(a) ASSESSMENT OF FOOD AND FEED AVAILABILITY.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency (referred to in this section as the ''Administrator'') shall conduct an assessment of the availability of corn for food and feed uses by not later than July 31 and November 30 of each calendar year after the date of enactment of this Act.

(2) REGIONAL WEATHER CONDITIONS.—

(A) IN GENERAL.—Not later than August 1, 2007, and annually thereafter, the Administrator, in consultation with the Secretary of Agriculture, the Secretary of Commerce, and the Association of American Feed Control Officials, shall submit to Congress, and publish in the Federal Register, an assessment of the Administrator regarding—

(i) regional weather conditions during the current crop year; and

(ii) the impact of the conditions on projected local corn supplies.

(B) FACTORS FOR CONSIDERATION.—In conducting the assessment under subparagraph (A), the Administrator shall take into consideration, as applicable—

(i) the impacts of drought, including reduced precipitation;

(ii) the impacts of flooding, including increased precipitation; and

(iii) projected local demand for corn during the following crop year.

(3) ESTIMATES.—

(A) IN GENERAL.—Not later than December 1, 2007, and annually thereafter, the Administrator shall conduct an assessment of the most current estimates of the ratio that, with respect to the marketing year beginning in September of the calendar year in which the assessment is conducted—

(i) United States domestic ending stocks of corn; bears to

(ii) total use of corn.

(B) FACTORS FOR CONSIDERATION.—In conducting the assessment under subparagraph (A), the Administrator shall take into consideration, and rely on, the data published by the Secretary of Agriculture in the monthly report entitled ''World Agricultural Supply and Demand Estimates'' (or similar public and authoritative estimates provided by the Secretary of Agriculture).

(b) POTENTIAL ECONOMIC AND CONSUMER HARM ASSESSMENT.—

(1) REGIONAL WEATHER CONDITIONS.—If the Administrator determines that an assessment of the Administrator under subsection (a)(2) indicates that there is a reasonable likelihood that the ratio described in subsection (a)(3)(A) will be equal to or less than 0.10, the Administrator shall publish the determination in the Federal Register by not later than 14 days after the date on which the determination is made.

(2) ESTIMATES.—If the Administrator determines that an assessment of the Administrator under subsection (a)(3) indicates that there is a reasonable likelihood that the ratio described in subsection (a)(3)(A) will be equal to or less than 0.10, the Administrator, in consultation with the Secretary and the Secretary of Agriculture, shall publish, by not later than 14 days after the date on which the determination is made, the intention of the Administrator to request the President to modify a portion of the requirement described in section 111(a)(2).

(3) REGIONAL DISRUPTION.—If the Administrator determines that an assessment of the Administrator under subsection (a)(2) indicates that a regional disruption to the availability of feed corn with respect to livestock producers will occur, the Administrator, in consultation with the Secretary of Agriculture, shall develop and implement a plan to ensure that regional food and feed supplies are maintained, to the maximum extent practicable, including through adjustments to the applicable renewable fuels standard under section 111(a) in the affected region.

(c) ACTIONS TO PREVENT ECONOMIC AND CONSUMER HARM.—

(1) IN GENERAL.—Subject to paragraph (2), the Administrator may submit to the President a petition to request a modification of a requirement under the renewable fuels standard under section 111(a) in a quantity of gallons sufficient to ensure, to the maximum extent practicable, that the ratio described in subsection (a)(3)(A) will be at least 0.10.

(2) LIMITATION.—A requirement under the renewable fuels standard under section 111(a) shall not be reduced by more than 15 percent during any calendar year.

(3) EFFECTIVE PERIOD.—A modification under paragraph (1) shall be effective during the 1-year period beginning on the effective date of the modification.

(d) PUBLIC PARTICIPATION.—

(1) IN GENERAL.—The Administrator shall—

(A) make each assessment conducted, and each modification provided, pursuant to this section available to the public; and

(B) provide an opportunity for public comment relating to each assessment and modification for a period of not more than 30 days.

(2) MODIFICATIONS.—Not later than 14 days after the end of the comment period described in paragraph (1)(B), the President shall promulgate the modification that is the subject to the comment period, unless the President, in consultation with the Administrator, determines that clear and compelling evidence demonstrates that the modification would not have a material effect on the quantity of corn available for food and feed use.

SA 1667. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 23, between lines 22 and 23, insert the following:

(iii) TREATMENT OF CERTAIN REFINERS AND REFINERIES.—

(I) IN GENERAL.—A refiner shall be eligible for an extension of an exemption under clause (ii) as a small business refiner after December 31, 2007, if the refiner makes an election under section 179C of the Internal Revenue Code of 1986.

(II) SMALL REFINERIES.—A small refinery owned by a refiner described in subclause (I) shall be eligible for an extension of an exemption under clause (ii) as a small refinery after December 31, 2007, if the refinery makes an election under section 179C of the Internal Revenue Code of 1986.

(III) MERGERS AND ACQUISITIONS.—An entity that is the result of a merger or acquisition by 1 or more refiners shall not be eligible for an extension under subclause (I) unless the merger or acquisition involves only refineries of small business refiners described in that subclause.

SA 1668. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title I, add the following:

SEC. 151. STUDY OF INCREASED CONSUMPTION OF ETHANOL-BLENDED GASOLINE WITH HIGHER LEVELS OF ETHANOL.

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, in cooperation with the Secretary, the Secretary

of Agriculture, and the Secretary of Transportation, and after providing notice and an opportunity for public comment, shall conduct a study of the feasibility of increasing consumption in the United States of ethanol-blended gasoline with levels of ethanol of not less than 10 percent and not more than 40 percent.

(b) STUDY.—The study under subsection (a) shall include—

(1) a review of production and infrastructure constraints on increasing the consumption of ethanol;

(2) an evaluation of the economic, market, and energy impacts of State and regional differences in ethanol blends;

(3) an evaluation of the economic, market, and energy impacts on gasoline retailers and consumers of separate and distinctly-labeled fuel storage facilities and dispensers;

(4) an evaluation on the environmental impacts of mid-level ethanol blends on evaporative and exhaust emissions from on-road, off-road and marine engines, recreational boats, vehicles, and equipment;

(5) an evaluation of the impacts of mid-level ethanol blends on the operation, durability and performance of onroad, off-road, and marine engines, recreational boats, vehicles, and equipment; and

(6) an evaluation of the safety impacts of mid-level ethanol blends on consumers that own and operate off-road and marine engines, recreational boats, vehicles, or equipment.

(c) REPORT.—Not later than 18 months after the date of enactment of this Act, the Administrator shall submit to Congress a report describing the results of the study conducted under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out the study under this section $1,000,000.

(e) TECHNICAL AMENDMENT.—Section 211(f)(4) of the Clean Air Act (42 U.S.C. 7545(f)(4)) is amended by striking the last sentence and inserting the following: ''The Administrator, after providing notice and an opportunity for public comment, shall approve or deny an application submitted under this paragraph by not later than 270 days after the date of receipt of the application.''.

SA 1669. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. EMERGENCY SERVICE ROUTE.

Section 1948 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1514) is repealed.

SA 1670. Ms. MURKOWSKI (for herself and Mr. STEVENS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VIII—COASTAL PLAIN STRATEGIC PETROLEUM READY RESERVE

SEC. 801. SHORT TITLE.

This title may be cited as the ''Coastal Plain Strategic Petroleum Ready Reserve Act of 2007''.

SEC. 802. FINDINGS; PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestic production of crude oil is in sharp decline;

(2) more than 60 percent of the oil consumed in the United States is imported;

(3) traditional sources of foreign oil supply, including the Middle East, are facing terrorism, armed conflicts, instability, and political uncertainty, which increase the vulnerability and threaten the security of the oil imports on which the United States has become so dependent;

(4) crude oil production in Alaska, a major source of domestic oil for the United States has decreased from approximately 2,000,000 barrels a day in 1991 to approximately 800,000 barrels a day in 2007;

(5) the approximately 1,500,000–acre Coastal Plain area of the 19,000,000–acre Arctic National Wildlife Refuge is projected to contain—

(A) a median of 10,400,000,000 barrels of oil; and

(B) very large reserves of natural gas;

(6) there are legislative measures pending in Congress to designate all or a portion of the Coastal Plain as a wilderness, which would prevent the large crude oil and natural gas reserves of the Coastal Plain from being used as a strategic petroleum reserve; and

(7) the proposed designation of the Coastal Plain as wilderness is contrary to the critically important interests of the security and energy policy of the United States.

(b) PURPOSES.—The purposes of this title are—

(1) to designate the public land of the Coastal Plain area of the Arctic National Wildlife Refuge as a strategic petroleum reserve;

(2) to ensure that the reserves of crude oil and natural gas in the Coastal Plain are ready, but not actually made available until authorized by Act of Congress, for commercial production; and

(3) in recognition of the long lead times in Alaska associated with the transition from expressions of industry interest in leasing, exploration, and development of crude oil and natural gas to the actual leasing, exploration, and development, to authorize seismic and exploration activities in the Coastal Plain so that production of crude oil and natural gas can proceed in the Coastal Plain if Congress determines, after the date of enactment of this Act, that production of oil and natural gas in the Coastal Plain is necessary based on—

(A) the need for domestic oil; and

(B) political uncertainties and instability in major producing regions of the world.

SEC. 803. DEFINITIONS.

In this title:

(1) COASTAL PLAIN.—The term ''Coastal Plain'' means—

(A) the approximately 1,500,000 acres of land described in Appendix I to part 37 of subchapter C of chapter 1 of title 50, Code of Federal Regulations; and

(B) land within the exterior boundaries of the Refuge that is north of the area described in subparagraph (A).

(2) EXPLORATORY ACTIVITY.—The term ''exploratory activity'' means an activity described in subparagraph (A), (B), or (C) of section 804(c)(1).

(3) FINAL STATEMENT.—The term ''Final Statement'' means the final legislative environmental impact statement on the Coastal Plain, dated April 1987, and prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3142) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(4) REFUGE.—The term ''Refuge'' means the Arctic National Wildlife Refuge in the State.

(5) RESERVE.—The term ''Reserve'' means the Coastal Plain Strategic Petroleum Ready Reserve designated by section 804(a).

(6) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(7) STATE.—The term ''State'' means the State of Alaska.

(8) WINTER.—The term ''winter'' means the applicable period of time defined for the winter season by the State Department of Natural Resources.

SEC. 804. COASTAL PLAIN STRATEGIC PETROLEUM READY RESERVE.

(a) IN GENERAL.—The public land in the Coastal Plain is designated as the Coastal Plain Strategic Petroleum Ready Reserve.

(b) ADMINISTRATION.—The public land in the Reserve shall be administered by the Secretary in accordance with—

(1) any law applicable to the Coastal Plain; and

(2) this title.

(c) AUTHORIZED EXPLORATORY ACTIVITIES.—

(1) IN GENERAL.—To enable the Secretary to expeditiously open the Coastal Plain to oil and natural gas production if Congress authorizes such production in the Reserve in accordance with section 807, beginning not later than winter 2008, the Secretary shall conduct, or shall enter into 1 or more contracts with other Federal agencies or private entities for the conduct of the following activities on public land in the Reserve and private land of the Kaktovik Inupiat Corporation or the Arctic Slope Regional Corporation in the Coastal Plain:

(A) Seismic exploration activities.

(B) Exploratory drilling to delineate the locations and provide firm estimates of the quantities of oil and natural gas holdings.

(C) The provision of any infrastructure necessary for the exploratory activities.

(2) CONTRACT TERMS AND CONDITIONS.—A contract for the conduct of exploratory activity entered into by the Secretary under paragraph (1) shall—

(A) provide that the Secretary may close, on a seasonal basis, such portions of the Coastal Plain to exploratory drilling activities as are necessary to protect caribou calving areas and other species of fish and wildlife;

(B) provide that the Federal Government shall be fully responsible and liable for the reclamation of land within the Coastal Plain and any other Federal land that is adversely affected in connection with exploratory activities within the Coastal Plain conducted under this title;

(C) contain terms and conditions relating to protection of fish and wildlife, fish and wildlife habitat, subsistence resources, and the environment as required under paragraph (3); and

(D) contain such other provisions as the Secretary determines to be necessary to ensure compliance with this title and regulations issued under this title.

(3) LIMITATION.—Any exploratory activity authorized under paragraph (1) shall be conducted only during the winter unless the President authorizes the exploratory activity to be conducted during additional periods based on a finding by the President that there is a national oil shortage.

(4) APPLICABLE LAW.—The Secretary shall conduct any exploratory activity authorized under paragraph (1) in accordance with applicable land use and environmental laws, including any regulations promulgated by the Secretary to carry out this title.

(d) PRIVATE LAND PROTECTIONS.—

(1) IN GENERAL.—The designation of the Reserve under subsection (a) does not affect property rights or title to private land located within the Coastal Plain that is owned by—

(A) the Kaktovik Inupiat Corporation; or

(B) the Arctic Slope Regional Corporation.

(2) ACCESS.—Access to and across the Reserve, including right-of-way access by Kaktovik Inupiat Corporation, Arctic Slope Regional Corporation, and shareholders of the Corporations, shall be permitted—

(A) for—

(i) subsistence, customary, and traditional uses; and

(ii) reasonable commercial purposes; and

(B) for access in accordance with sections 1110 and 1111 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3170, 3171).

(3) LIMITATION ON LEASING AND COMMERCIAL PRODUCTION ACTIVITIES.—

(A) IN GENERAL.—The Secretary shall not conduct any oil or natural gas production activity in the Reserve unless—

(i) the maximum quantity of surface acreage covered by production and support facilities (including airstrips and any area covered by gravel berms or piers for support of pipelines) does not exceed 2,000 acres on the Coastal Plain;

(ii) the President submits to Congress—

(I) a finding that oil or natural gas production in the Reserve is necessary for the economic or national security of the United States; and

(II) a plan for the production and storage of oil or natural gas produced from the Reserve; and

(iii) the oil or natural gas production is specifically authorized by an Act of Congress in accordance with section 807.

(B) COSTS.—The costs of any natural gas leasing or commercial production activity authorized under subparagraph (A) shall be paid by the United States.

(C) USE.—Any oil or natural gas produced in accordance with subparagraph (A) shall be made available for sale only in accordance with section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241).

(D) ROYALTIES.—Any royalties or revenues from the sale of oil or natural gas under subparagraph (C) shall be allocated in accordance with applicable law.

(4) INFRASTRUCTURE.—The Secretary may construct any infrastructure authorized under subsection (c)(1)(C) on private land in the Reserve only with the consent of the owner of the private land.

SEC. 805. COMPLIANCE WITH REQUIREMENTS UNDER CERTAIN LAWS.

(a) COMPATIBILITY.—For purposes of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.)—

(1) the exploratory activities authorized in the Reserve under this title shall be considered to be compatible with the purposes for which the Refuge was established; and

(2) no further findings or decisions shall be required to implement the exploratory activities.

(b) ADEQUACY OF FINAL STATEMENT.—The Final Statement shall be considered to satisfy the requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) that apply with respect to pre-seismic and pre-exploration drilling activities, including actions authorized to be taken by the Secretary to develop and promulgate the regulations for the conduct of exploratory activities authorized by this title before the conduct of the activities.

(c) COMPLIANCE WITH NEPA FOR OTHER ACTIONS.—

(1) IN GENERAL.—Before conducting exploratory activities under this title, the Secretary shall prepare an environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the actions authorized by this title that are not referred to in paragraph (2).

(2) IDENTIFICATION AND ANALYSIS.—Notwithstanding any other provision of law, in carrying out this subsection, the Secretary shall not be required—

(A) to identify nonexploratory alternative courses of action; or

(B) to analyze the environmental effects of those courses of action.

(3) IDENTIFICATION OF PREFERRED ACTION.—Not later than 18 months after the date of enactment of this Act, the Secretary shall—

(A) identify only a preferred action and a single alternative for exploratory activities; and

(B) analyze the environmental effects and potential mitigation measures for those 2 alternatives.

(4) PUBLIC COMMENTS.—In carrying out this subsection, the Secretary shall consider only public comments that are filed not later than 20 days after the date of publication of an environmental analysis.

(5) EFFECT OF COMPLIANCE.—Notwithstanding any other provision of law, compliance with this subsection shall be considered to satisfy all requirements for the analysis and consideration of the environmental effects of proposed exploratory activities under this title.

SEC. 806. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

(a) NO SIGNIFICANT ADVERSE EFFECT STANDARD TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—The Secretary shall administer this title through regulations, terms, conditions, restrictions, prohibitions, stipulations, and other provisions that—

(1) ensure, to the maximum extent practicable, that exploratory activities will result in no significant adverse effect on fish and wildlife, fish and wildlife habitat, and the environment of the Coastal Plain; and

(2) require the application of the best commercially available technology for oil and gas exploration operations.

(b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—The Secretary shall require, with respect to any proposed exploratory drilling activities on the Coastal Plain, that—

(1) a site-specific environmental analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, fish and wildlife habitat, subsistence resources, subsistence uses, and the environment;

(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the maximum extent practicable) any significant adverse effect identified under paragraph (1); and

(3) the development of the plan occur after consultation with each agency having jurisdiction over matters mitigated by the plan.

(c) REGULATIONS TO PROTECT COASTAL PLAIN FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS, AND THE ENVIRONMENT.—Before conducting any exploratory activities authorized by this title, the Secretary shall prepare and issue regulations, terms, conditions, restrictions, prohibitions, stipulations, and other measures designed to ensure, to the maximum extent practicable, that the exploratory activities carried out on the Coastal Plain under this title are conducted in a manner consistent with the purposes and environmental requirements of this title.

(d) COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL LAWS AND OTHER REQUIREMENTS.—The proposed regulations, terms, conditions, restrictions, prohibitions, and stipulations for carrying out this title shall require—

(1) compliance with all applicable provisions of Federal and State environmental law (including regulations);

(2) implementation of and compliance with—

(A) standards that are at least as effective as the safety and environmental mitigation measures, as described in items 1 through 29 on pages 167 through 169 of the Final Statement, on the Coastal Plain;

(B) seasonal limitations on exploratory activities, as necessary, to avoid significant adverse effects during periods of concentrated fish and wildlife breeding, denning, nesting, spawning, and migration;

(C) appropriate prohibitions or restrictions on—

(i) access by all modes of transportation;

(ii) sand and gravel extraction; and

(iii) use of explosives;

(D) reasonable stipulations for protection of cultural and archaeological resources;

(E) measures to protect groundwater and surface water, including—

(i) avoidance, to the maximum extent practicable, of springs, streams, and river systems;

(ii) the protection of natural surface drainage patterns, wetland, and riparian habitats; and

(iii) the regulation of methods or techniques for developing or transporting adequate supplies of water for exploratory drilling; and

(F) research, monitoring, and reporting requirements;

(3) that exploratory activities (except surface geological studies) be limited to the period between approximately November 1 and May 1 of each year and be supported, if necessary, by ice roads, winter trails with adequate snow cover, ice pads, ice airstrips, and air transport methods (except that those exploration activities may be permitted at other times if the Secretary determines that the exploratory activities will have no significant adverse effect on fish and wildlife, fish and wildlife habitat, and the environment of the Coastal Plain);

(4) avoidance or reduction of air traffic-related disturbance to fish and wildlife;

(5) treatment and disposal of hazardous and toxic wastes, solid wastes, reserve pit fluids, drilling muds and cuttings, and domestic wastewater, including, in accordance with applicable Federal and State environmental laws (including regulations)—

(A) preparation of an annual waste management report;

(B) development and implementation of a hazardous materials tracking system; and

(C) prohibition on the use of chlorinated solvents;

(6) fuel storage and oil spill contingency planning;

(7) conduct of periodic field crew environmental briefings;

(8) avoidance of significant adverse effects on subsistence hunting, fishing, and trapping;

(9) compliance with applicable air and water quality standards;

(10) appropriate seasonal and safety zone designations around well sites, within which

subsistence hunting and trapping shall be limited; and

(11) development and implementation of such other protective environmental requirements, restrictions, terms, and conditions as the Secretary determines to be necessary.

(e) CONSIDERATIONS.—In preparing and issuing regulations, terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall take into consideration—

(1) the stipulations and conditions that govern the National Petroleum Reserve-Alaska leasing program, as set forth in the 1999 Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan/Environmental Impact Statement;

(2) the environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 through 37.33 of title 50, Code of Federal Regulations (or successor regulations); and

(3) the land use stipulations for exploratory drilling on the KIC–ASRC private land described in Appendix 2 of the agreement between Arctic Slope Regional Corporation and the United States dated August 9, 1983.

(f) FACILITY CONSOLIDATION PLANNING.—

(1) IN GENERAL.—After providing for public notice and comment, the Secretary shall prepare and periodically update a plan to govern, guide, and direct the siting and construction of facilities for the exploration of oil and gas resources from the Coastal Plain.

(2) OBJECTIVES.—The objectives of the plan shall be—

(A) the avoidance of unnecessary duplication of facilities and activities;

(B) the encouragement of consolidation of common facilities and activities;

(C) the location or confinement of facilities and activities to areas that will minimize impact on fish and wildlife, fish and wildlife habitat, and the environment;

(D) the use of existing facilities, to the maximum extent practicable; and

(E) the enhancement of compatibility between wildlife values and development activities.

SEC. 807. EXPEDITED PROCEDURE.

(a) DEFINITION OF BILL.—In this section, the term ''bill'' means only a bill to amend section 1003 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3143) to authorize oil or natural gas production in the Reserve.

(b) MANDATORY INTRODUCTION.—Not later than 30 days after the date of receipt from the President of a bill described in subsection (a), the Chairperson of the Committee on Energy and Natural Resources of the Senate and the Chairperson of the Committee on Natural Resources of the House of Representatives shall introduce the bill, by request.

(c) REFERRAL TO COMMITTEE.—

(1) HOUSE OF REPRESENTATIVES.—A bill described in subsection (a) introduced in the House of Representatives shall be referred to the Committee on Natural Resources of the House of Representatives.

(2) SENATE.—A bill described in subsection (a) introduced in the Senate shall be referred to the Committee on Energy and Natural Resources of the Senate.

(3) TIMING.—A bill described in subsection (a) shall be reported not earlier than 60 days after the date of introduction of the bill.

(d) DISCHARGE OF COMMITTEE.—The committee to which a bill described in subsection (a) is referred shall be considered to have discharged the bill from further consideration, and the bill shall be placed on the appropriate calendar of the appropriate House, if the committee fails to report the bill by the earlier of—

(1) the date that is 90 calendar days after the date of introduction of the bill; and

(2) the end of the first day after there is reported to the applicable House a bill described in subsection (a).

(e) FLOOR CONSIDERATION.—

(1) IN GENERAL.—On the date on which the committee to which a bill is referred has reported, or is considered to be discharged from further consideration under subsection (d)—

(A) it shall be in order at any time (even if a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the bill; and

(B) all points of order against the bill (and against consideration of the bill) are waived.

(2) TREATMENT OF MOTION.—

(A) IN GENERAL.—A motion under paragraph (1)(A) shall be considered to be—

(i) highly privileged in the House of Representatives;

(ii) privileged in the Senate; and

(iii) not debatable.

(B) AMENDMENTS AND OTHER MOTIONS NOT ALLOWED.—The motion shall not be subject to—

(i) an amendment;

(ii) a motion to postpone; or

(iii) a motion to proceed to the consideration of other business.

(C) MOTIONS TO RECONSIDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(D) AGREEMENT TO MOTION TO PROCEED.—If a motion to proceed to the consideration of the bill is agreed to, the bill shall remain the unfinished business of the respective House until the bill is disposed of.

(3) DEBATE.—

(A) IN GENERAL.—Debate on the bill (including all debatable motions and appeals in connection with the bill) shall be limited to not more than 50 hours, which shall be divided equally between those favoring and those opposing the bill.

(B) MOTIONS TO FURTHER LIMIT DEBATE.—A motion to limit further debate on the bill is in order and not debatable.

(C) AMENDMENTS AND OTHER MOTIONS NOT ALLOWED.—The bill shall not be subject to—

(i) an amendment;

(ii) a motion to postpone;

(iii) a motion to proceed to the consideration of other business; or

(iv) a motion to recommit.

(D) MOTIONS TO RECONSIDER.—A motion to reconsider the vote by which the bill is agreed to or disagreed to is not in order.

(4) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a bill described in subsection (a), and a single quorum call at the conclusion of the debate, if requested in accordance with the rules of the appropriate House, the vote on final passage of the bill shall occur.

(5) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chairperson relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a bill described in subsection (a) shall be decided without debate.

(f) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a bill of that House described in subsection (a), the House receives from the other House a bill described in subsection (a)—

(1) the bill of the other House shall not be referred to a committee; and

(2) with respect to a bill described in subsection (a) of the House receiving the bill—

(A) the procedure in that House shall be the same as if no bill had been received from the other House; but

(B) the vote on final passage shall be on the bill of the other House.

(g) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such—

(A) this section is deemed to be—

(i) a part of the rules of each House, respectively; but

(ii) applicable only with respect to the procedure to be followed in that House in the case of a bill described in subsection (a); and

(B) this section supersedes other rules only to the extent that this section is inconsistent with those rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 808. STRATEGIC PETROLEUM RESERVE.

(a) ESTABLISHMENT.—

(1) POLICY.—Section 151(b) of the Energy Policy and Conservation Act (42 U.S.C. 6231(b)) is amended by striking ''1 billion'' and inserting ''1,500,000,000''.

(2) LEVEL.—Section 154(a) of the Energy Policy and Conservation Act (42 U.S.C. 6234(a)) is amended by striking ''1 billion'' and inserting ''1,500,000,000''.

(b) FILLING STRATEGIC PETROLEUM RESERVE TO CAPACITY.—Section 301(e) of the Energy Policy Act of 2005 (42 U.S.C. 6240 note; Public Law 109–58) is amended by striking ''1,000,000,000-barrel'' and inserting ''1,500,000,000-barrel''.

SEC. 809. ANNUAL REPORT.

Not later than June 30, 2008, and each June 30 thereafter, the Secretary and the Secretary of Energy shall jointly submit to the appropriate committees of Congress a report that describes—

(1) the volume of crude oil produced during the previous year in—

(A) the State; and

(B) the United States;

(2) the volume of crude oil imported into the United States during the previous year by—

(A) the country of origin; and

(B) the average price paid per barrel;

(3) the volume of petroleum products imported during the previous year by—

(A) the country of origin; and

(B) the average price paid per barrel;

(4) the average daily throughput of crude oil for the previous year by the trans-Alaska pipeline;

(5) updated projections of the potential and known reserves of crude oil and natural gas located in the Reserve; and

(6) the status of the activities authorized under section 804(c)(1).

SEC. 810. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

SA 1671. Ms. LANDRIEU submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 277, strike beginning with line 10 through page 288, line 2, and insert the following:

SEC. 602. DEFINITIONS.

In this title:

(1) AFFECTED AREA.—The term ''affected area'' means an area covered by a Presidential declaration of energy emergency as provided in section 606.

(2) SUPPLIER.—The term ''supplier'' means any person engaged in the trade or business of selling or reselling, at retail or wholesale, or distributing road transportation fuels or domestic home heating oil.

(3) PRICE GOUGING.—The term ''price gouging'' means the charging of an unconscionably excessive price by a supplier in an affected area while a Presidential declaration of energy emergency is in effect.

(4) UNCONSCIONABLY EXCESSIVE PRICE.—The term ''unconscionably excessive price'' means an average price charged in an affected area for road transportation fuels or domestic home heating oil that—

(A)(i)(I) represents a gross disparity between the price at which it was offered for sale in the usual course of the supplier's business during the 30 days prior to the President's declaration of an energy emergency; and

(II) grossly exceeds the price at which the same or similar road transportation fuels or domestic home heating oil were readily obtainable by purchasers from other suppliers in the in the same relevant geographic market within the affected area; or

(ii) represents an exercise of unfair leverage or unconscionable means on the part of the supplier, during a period of declared energy emergency; and

(B) is not attributable to the justifiable price increases set forth in section 603(c).

(5) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(6) WHOLESALE.—The term ''wholesale'' refers to a sale that occurs at a petroleum terminal rack or any sale thereafter, other than a retail sale to a consumer.

SEC. 603. PROHIBITION ON PRICE GOUGING DURING ENERGY EMERGENCIES.

(a) IN GENERAL.—During any energy emergency declared by the President under section 606, it is unlawful for any supplier to sell, or offer to sell, road transportation fuels or domestic home heating oil in, or for use in, the area to which that declaration applies at an unconscionably excessive price.

(b) FACTORS CONSIDERED.—In determining whether a violation of subsection (a) has occurred, there shall be taken into account, among other factors, whether—

(1) the price charged was a price that would reasonably exist in a competitive and freely functioning market; and

(2) the price at which the road transportation fuel or domestic home heating oil was sold reasonably reflects additional costs or risks, not within the control of the seller, that were paid or incurred by the seller.

(c) JUSTIFIABLE PRICE INCREASES.—The prohibition in subsection (a) does not apply to the extent that the increase in the price of the road transportation fuel or domestic home heating oil is substantially attributable to—

(1) an increase in the wholesale cost of road transportation fuel or domestic home heating oil to a retail seller or reseller;

(2) an increase in the replacement costs for road transportation fuel or domestic home heating oil sold;

(3) an increase in operational costs; or

(4) local, regional, national, or international market conditions.

SEC. 604. PROHIBITION ON MARKET MANIPULATION.

It is unlawful for any person, directly or indirectly, to use or employ, in connection with the purchase or sale of road transportation fuels or domestic home heating oil at wholesale, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of United States citizens.

SEC. 605. PROHIBITION ON FALSE INFORMATION.

It is unlawful for any person to report information related to the wholesale price of road transportation fuels or domestic home heating oil distillates to a Federal department or agency if—

(1) that person knew, or reasonably should have known, the information to be false or misleading;

(2) the information was required by law to be reported; and

(3) the person intended the false or misleading data to affect data compiled by the Commission for statistical or analytical purposes with respect to the market for road transportation fuels or domestic home heating oil.

SEC. 606. PRESIDENTIAL DECLARATION OF ENERGY EMERGENCY.

(a) IN GENERAL.—If the President finds that the health, safety, welfare, or economic well-being of the citizens of the United States is at risk because of a shortage or imminent shortage of adequate supplies of road transportation fuels or domestic home heating oil due to a disruption in the national distribution system for road transportation fuels or domestic home heating oil (including such a shortage related to a major disaster (as defined in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2))), the President may declare that a Federal energy emergency exists.

(b) SCOPE AND DURATION.—The emergency declaration shall specify—

(1) the period, not to exceed 30 days, for which the declaration applies;

(2) the circumstance or condition necessitating the declaration; and

(3) the area or region to which it applies, which, for the 48 contiguous states may not be limited to a single State.

(c) EXTENSIONS.—The President may—

(1) extend a declaration under subsection (a) for a period of not more than 30 days; and

(2) extend such a declaration not more than twice.

SEC. 607. ENFORCEMENT BY THE FEDERAL TRADE COMMISSION.

(a) ENFORCEMENT.—This title shall be enforced by the Federal Trade Commission in the same manner, by the same means, and with the same jurisdiction as though all applicable terms of the Federal Trade Commission Act were incorporated into and made part of this title.

(b) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—The violation of any provision of this title shall be treated as an unfair or deceptive act or practice proscribed under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(c) COMMISSION ACTIONS.—Following the declaration of an energy emergency by the President under section 606, the Commission shall—

(1) maintain within the Commission—

(A) a toll-free hotline that a consumer may call to report an incident of price gouging in the affected area; and

(B) a program to develop and distribute to the public informational materials to assist residents of the affected area in detecting and avoiding price gouging;

(2) consult with the Attorney General, the United States Attorney for the districts in which a disaster occurred (if the declaration is related to a major disaster), and State and local law enforcement officials to determine whether any supplier in the affected area is charging or has charged an unconscionably excessive price for road transportation fuels or domestic home heating oil in the affected area; and

(3) conduct an investigation to determine whether any supplier in the affected area has violated section 603, and upon such finding, take any action the Commission determines to be appropriate to remedy the violation.

(d) LIMITED PREEMPTION.—This title shall preempt State laws only with respect to affected areas and only for the period of time that a declaration of energy emergency issued under section 606 is in effect. Nothing contained in this section shall otherwise prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of that State.

SEC. 608. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—A State, as parens partriae, may, on behalf of its residents, petition the Commission to enforce the provisions of section 603, or to impose the civil penalties authorized by section 609 for violations of section 603, whenever the Attorney General of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a supplier engaged in the sale or resale, at retail or wholesale, or distribution of road transportation fuel or domestic home heating oil in violation of section 603.

(b) NOTICE.—The State shall petition the Commission to enforce the provisions of section 607 by filing with the Commission a written notice of probable violation which sets forth the State's reasons for believing section 603 has been violated.

(c) REQUIRED INVESTIGATION.—Upon receiving the notice required by subsection (b), the Commission shall commence or continue an investigation in accordance with section 607(c)(3), taking into account the claims set forth in the State's notice of probable violation.

(d) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission has instituted a civil action or an administrative action for violation of this title, a State attorney general, or official or agency of a State, may not bring an action during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this title alleged in the Commission's civil or administrative action.

(e) LIMITED PREEMPTION.—This title shall preempt State laws only with respect to affected areas and only for the period of time that a declaration of energy emergency under section 606 is in effect. Nothing contained in this section shall otherwise prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of that State.

SEC. 609. EFFECT ON OTHER LAWS.

(a) OTHER AUTHORITY OF THE COMMISSION.—Nothing in this title shall be construed to limit or affect in any way the Commission's authority to bring enforcement actions or take any other measure under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any other provision of law.

(b) STATE LAW.—Nothing in this title preempts any State law.

SA 1672. Mr. SCHUMER (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting

new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. __. COMMUTER BENEFIT EQUITY.

(a) UNIFORM DOLLAR LIMITATION FOR ALL TYPES OF TRANSPORTATION FRINGE BENEFITS.—

(1) IN GENERAL.—Section 132(f)(2) of the Internal Revenue Code of 1986 (relating to limitation on exclusion) is amended—

(A) by striking ''$100'' in subparagraph (A) and inserting ''$200'', and

(B) by striking ''$175'' in subparagraph (B) and inserting ''$200''.

(2) INFLATION ADJUSTMENT CONFORMING AMENDMENTS.—Subparagraph (A) of section 132(f)(6) of the Internal Revenue Code of 1986 (relating to inflation adjustment) is amended—

(A) by striking the last sentence,

(B) by striking ''1999'' and inserting ''2008'', and

(C) by striking ''1998'' and inserting ''2007''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2006.

(b) CLARIFICATION OF FEDERAL EMPLOYEE BENEFITS.—Section 7905 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C) by inserting ''and'' after the semicolon;

(B) in paragraph (3) by striking ''; and'' and inserting a period; and

(C) by striking paragraph (4); and

(2) in subsection (b)(2)(A) by amending subparagraph (A) to read as follows:

''(A) a qualified transportation fringe as defined in section 132(f)(1) of the Internal Revenue Code of 1986;''.

SA 1673. Mr. BINGAMAN (for himself, Mr. DODD, Mr. ALLARD, Mr. REED, Mr. CRAPO, Mr. SCHUMER, Mr. MARTINEZ, Mr. CASEY, and Mr. BAYH) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 157, line 5, strike ''and if'' and insert the following: ''the Secretary of Housing and Urban Development or the Secretary of Agriculture make a determination that the revised codes do not negatively affect the availability or affordability of new construction of assisted housing and single family and multifamily residential housing (other than manufactured homes) subject to mortgages insured under the National Housing Act (12 U.S.C. 1701 et seq.) or insured, guaranteed, or made by the Secretary of Agriculture under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.), respectively, and''.

SA 1674. Mr. FEINGOLD submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 163, strike lines 8 and 9 and insert the following:

(b) PROTECTION FOR SMALL BUSINESS.—Section 111(c)(3) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(c)(3)) is amended by striking ''subsection (d)(7) or (8)'' and inserting ''paragraph (7), (8), (16), or (17) of subsection (d)''.

(c) NATURAL GAS UTILITIES.—Section 303(b) of the Public Utility Regulatory Policies Act of 1978 (15 U.S.C. * * *

On page 164, between lines 20 and 21, insert the following:

(d) SMALL BUSINESS IMPACTS.—Section 303(d) of the Public Utility Regulatory Policies Act of 1978 (15 U.S.C. 3203(d)) is amended by striking ''subsection (b)(3) or (4)'' and inserting ''any of paragraphs (3) through (6) of subsection (b)''.

SA 1675. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VIII—MISCELLANEOUS

SEC. 801. STUDY OF THE EFFECT OF PRIVATE WIRE LAWS ON THE DEVELOPMENT OF COMBINED HEAT AND POWER FACILITIES.

(a) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the States and other appropriate entities, shall conduct a study of the laws (including regulations) affecting the siting of privately owned electric distribution wires on and across public rights-of-way.

(2) REQUIREMENTS.—The study under paragraph (1) shall include—

(A) an evaluation of—

(i) the purposes of the laws; and

(ii) the effect the laws have on the development of combined heat and power facilities;

(B) a determination of whether a change in the laws would have any operating, reliability, cost, or other impacts on electric utilities and the customers of the electric utilities; and

(C) an assessment of—

(i) whether privately owned electric distribution wires would result in duplicative facilities; and

(ii) whether duplicative facilities are necessary or desirable.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the results of the study conducted under subsection (a).

SA 1676. Mr. BROWN submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 161, between lines 2 and 3, insert the following:

SEC. 26__. RENEWABLE ENERGY INNOVATION MANUFACTURING PARTNERSHIP.

(a) ESTABLISHMENT.—The Secretary shall carry out a program, to be known as the Renewable Energy Innovation Manufacturing Partnership Program (referred to in this section as the ''Program''), to make assistance awards to eligible entities for use in carrying out research, development, and demonstration relating to the manufacturing of renewable energy technologies.

(b) SOLICITATION.—To carry out the Program, the Secretary shall annually conduct a competitive solicitation for assistance awards for an eligible project described in subsection (e).

(c) PROGRAM PURPOSES.—The purposes of the Program are—

(1) to develop, or aid in the development of, advanced manufacturing processes, materials, and infrastructure;

(2) to increase the domestic production of renewable energy technology and components; and

(3) to better coordinate Federal, State, and private resources to meet regional and national renewable energy goals through advanced manufacturing partnerships.

(d) ELIGIBLE ENTITIES.—An entity shall be eligible to receive an assistance award under the Program to carry out an eligible project described in subsection (e) if the entity is composed of—

(1) 1 or more public or private nonprofit institutions or national laboratories engaged in research, development, demonstration, or technology transfer, that would participate substantially in the project; and

(2) 1 or more private entities engaged in the manufacturing or development of renewable energy system components (including solar energy, wind energy, biomass, geothermal energy, energy storage, or fuel cells).

(e) ELIGIBLE PROJECTS.—An eligible entity may use an assistance award provided under this section to carry out a project relating to—

(1) the conduct of studies of market opportunities for component manufacturing of renewable energy systems;

(2) the conduct of multiyear applied research, development, demonstration, and deployment projects for advanced manufacturing processes, materials, and infrastructure for renewable energy systems; and

(3) other similar ventures, as approved by the Secretary, that promote advanced manufacturing of renewable technologies.

(f) CRITERIA AND GUIDELINES.—The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under the Program.

(g) COST SHARING.—Section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352) shall apply to a project carried out under this section.

(h) DISCLOSURE.—Section 623 of the Energy Policy Act of 1992 (42 U.S.C. 13293) shall apply to a project carried out under this subsection.

(i) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should ensure

that small businesses engaged in renewable manufacturing be considered for loan guarantees authorized under title XVII of the Energy Policy Act of 2005 (42 U.S.C. 16511 et seq.).

(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2008 through 2013, to remain available until expended.

SA 1677. Mr. BINGAMAN submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, line 11, insert ''(including landfill gas and sewage waste treatment gas)'' after ''biogas''.

On page 7, strike lines 13 through 16 and insert the following:

biomass;

(vi) butanol or other alcohols produced through the conversion of organic matter from renewable biomass; and

(vii) other fuel derived from cellulosic biomass.

On page 9, line 13, strike '', boiler fuel,''.

On page 9, line 20, strike '', boiler,''.

On page 10, lines 17 and 18, strike ''motor vehicle fuel, home heating oil, and boiler fuel'' and insert ''motor vehicle fuel and home heating oil''.

On page 11, line 11, strike ''built'' and insert ''that commence operations''.

On page 44, lines 4 and 5, strike ''local biorefineries'' and insert ''local biorefineries, including by portable processing equipment''.

On page 44, lines 13 and 14, strike ''local biorefineries'' and insert ''local biorefineries, including by portable processing equipment''.

On page 47, strike lines 9 through 15 and insert the following:

(1) QUALITY REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the President shall promulgate regulations to ensure that each diesel-equivalent fuel derived from renewable biomass and introduced into interstate commerce is tested and certified to comply with applicable standards of the American Society for Testing and Materials.

SA 1678. Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 21, strike line 12 and insert the following:

(2) PETITIONS FOR WAIVER.—

(A) IN GENERAL.—The President,

On page 21, between lines 19 and 20, insert the following:

(B) IMMEDIATE RELIEF.—During the 90-day period described in subparagraph (A), the President may authorize the Administrator of the Environmental Protection Agency to adjust the requirements described in subsection (a) as the Administrator of the Environmental Protection Agency determines to be necessary to provide immediate relief until the date on which the President, in consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, approves or disapproves a State petition for a waiver under subparagraph (A).

SA 1679. Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 26, strike lines 19 through 21 and insert the following:

(j) STUDY OF IMPACT OF RENEWABLE FUEL STANDARD.—

(1) IN GENERAL.—The Secretary shall enter into an arrangement with the National Academy of Sciences under which the Academy shall conduct a study to assess the impact of the requirements described in subsection (a)(2) on each industry relating to the production of feed grains, livestock, food, and energy.

(2) PARTICIPATION.—In conducting the study under paragraph (1), the National Academy of Sciences shall seek the participation, and consider the input, of—

(A) producers of feed grains;

(B) producers of livestock, poultry, and pork products;

(C) producers of food and food products;

(D) producers of energy;

(E) individuals and entities interested in issues relating to conservation, the environment, and nutrition; and

(F) users of renewable fuels.

(3) CONSIDERATIONS.—In conducting the study, the National Academy of Sciences shall consider—

(A) the likely impact on domestic animal agriculture feedstocks that, in any crop year, are significantly below current projections; and

(B) policy options to alleviate the impact on domestic animal agriculture feedstocks that are significantly below current projections.

(4) COMPONENTS.—The study shall include—

(A) a description of the conditions under which the requirements described in subsection (a)(2) should be suspended or reduced to prevent adverse impacts to domestic animal agriculture feedstocks described in paragraph (3)(B); and

(B) recommendations for the means by which the Federal Government could prevent or minimize adverse economic hardships and impacts.

(5) DEADLINE FOR COMPLETION OF STUDY.—Not later than 270 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the results of the study.

(6) PERIODIC REVIEWS.—

(A) IN GENERAL.—To allow for the appropriate adjustment of the requirements described in subsection (a)(2), the Secretary shall conduct periodic reviews of—

(i) existing technologies;

(ii) the feasibility of achieving compliance with the requirements; and

(iii) the impacts of the requirements described in subsection (a)(2) on each individual and entity described in paragraph (2).

(B) ADJUSTMENT OF REQUIREMENTS.—If, on completion of a periodic review under subparagraph (A), or on the date on which the Secretary submits to Congress the report under paragraph (5), the Secretary concludes that there will be a shortfall in the supply of domestic feed grain-based feedstocks or renewable fuels for the period covered by the review, as soon as practicable after the date on which the Secretary submits to Congress the report under that paragraph, the Administrator of the Environmental Protection Agency, in consultation with the Secretary, shall, after an opportunity for public notice and comment, promulgate regulations to establish a downward adjustment of the requirements described in subsection (a)(2) necessary to alleviate the shortfall, as determined by the Secretary.

(k) EFFECTIVE DATE.—Except as otherwise specifically provided in this section, this section takes effect on the date on which the National Academies of Science completes the study under subsection (j).

SA 1690. Mr. HAGEL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle D of title II, add the following:

SEC. 255. ENERGY-RELATED RESEARCH AND DEVELOPMENT.

(a) FINDINGS.—Congress finds that—

(1) information and opinions provided by individuals and entities of the academic and industrial sectors should be an important consideration with respect to energy-related research and development activities carried out by the Federal Government;

(2) in carrying out energy-related research and development activities, the Federal Government should regularly seek input from multiple sources, including the industrial sector, academia, and other relevant sectors;

(3) research is better focused around well-defined problems that need to be resolved;

(4) a number of potential problems to be resolved are likely to require input from a diverse selection of technologies and contributing sectors;

(5) sharing of information relating to energy research and development is important to the development and innovation of energy technologies;

(6) necessary intellectual property protection can lead to delays in sharing valuable information that could aid in resolving major energy-related problems;

(7) the Federal Government should facilitate the sharing of information from a diverse array of industries by ensuring the protection of intellectual property while simultaneously creating an environment of openness and cooperation; and

(8) the Federal Government should revise the methods of the Federal Government regarding energy-related research and development to encourage faster development and implementation of energy technologies.

(b) DEFINITIONS.—In this section:

(1) NETWORK.—The term ''network'' means the Energy Technologies Innovation Network established by subsection (d)(1).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(3) SURVEY.—The term ''survey'' means a survey conducted pursuant to subsection (c).

(c) ENERGY-RELATED RESEARCH AND DEVELOPMENT PRIORITIES.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, and on the dates that are 5 years and 10 years after that date, the Secretary shall conduct a survey in accordance with this subsection to determine the 10 highest-priority energy-related problems to resolve to ensure the goals of—

(A) maximizing the energy security of the United States;

(B) maximizing improvements in energy efficiency within the United States; and

(C) minimizing damage to the economy and the environment of the United States.

(2) SURVEY.—

(A) IN GENERAL.—Each survey shall contain a request that the respondent shall list, in descending order of priority, the 10 highest-priority energy-related problems that, in the opinion of the respondent, require resolution as quickly as practicable to ensure the goals described in paragraph (1).

(B) ANNOUNCEMENT.—The Secretary shall announce the existence of each survey by—

(i) publishing an announcement in the Federal Register; and

(ii) placing an announcement in a prominent position on the homepage of the website of the Department of the Energy.

(C) AVAILABILITY.—The Secretary shall ensure that each survey is made available—

(i) in an electronic format only through a link on the Department of Energy website;

(ii) for a period of not less than 21 days and not more than 30 days; and

(iii) to any individual or entity that elects to participate.

(D) ADDITIONAL INFORMATION GATHERING.—Each survey—

(i) shall require each respondent to provide information regarding—

(I) the age of the respondent;

(II) the occupational category of the respondent;

(III) the period of time during which the respondent has held the current occupation of the respondent; and

(IV) the State and country in which the respondent resides; and

(ii) may request, but shall not require—

(I) the name of the respondent;

(II) an identification of the employer of the respondent;

(III) the electronic mail address of the respondent; and

(IV) such other information as the Secretary determines to be appropriate.

(E) RESPONDENTS.—The Secretary shall seek responses to a survey from appropriate representatives of—

(i) the energy, transportation, manufacturing, construction, mining, and electronic industries;

(ii) academia;

(iii) research facilities;

(iv) nongovernmental organizations;

(v) the Federal Government; and

(vi) units of State and local government.

(F) NONPOLITICAL REQUIREMENT.—The Secretary shall ensure that each survey is conducted, to the maximum extent practicable—

(i) in a transparent, nonpolitical, and scientific manner; and

(ii) without any political bias.

(G) REPORT.—Not later than 180 days after the date on which a survey under this subsection is no longer available under subparagraph (C)(ii), the Secretary shall submit to Congress and make available to the public (including through publication in the Federal Register and on the website of the Department of Energy) a report that—

(i) describes the results of the survey; and

(ii) includes a list of the 10 highest-priority energy-related problems based on all responses to the survey.

(d) ENERGY TECHNOLOGIES INNOVATION NETWORK.—

(1) ESTABLISHMENT.—There is established an information and collaboration network, to be known as the ''Energy Technologies Innovation Network''.

(2) PURPOSE.—The purpose of the network shall be to provide a forum through which interested parties (including scientists and entrepreneurs) can present, discuss, and collaborate with respect to information and ideas relating to energy technologies.

(3) OPERATION OF NETWORK.—

(A) IN GENERAL.—The Secretary shall operate the network.

(B) USE OF THIRD-PARTY DATABASES.—In operating the network pursuant to subparagraph (A), the Secretary may use any relevant database of a third party that, as determined by the Secretary—

(i) has experience with respect to the establishment and maintenance of a comprehensive database of Federal research and development projects that—

(I) is easily searchable;

(II) is open to the public;

(III) is capable of expansion; and

(IV) requires only limited interaction with any database manager beyond the initial interaction necessary to register with the database;

(ii) provides a secure electronic forum to enable collaboration among users of the network; and

(iii) agrees to collaborate with the Secretary to protect the intellectual property rights of individual users and governmental agencies participating in the network in accordance with paragraph (6).

(4) REQUIRED CONTRIBUTORS.—Each research laboratory or other facility that receives Federal funding shall provide to the network the results of the research conducted using that funding, regardless of whether the research relates to energy, subject to the condition that revelation of the research will not adversely effect national security.

(5) OTHER CONTRIBUTORS.—Other entities, including entities in the academic and industrial sectors and individuals, may participate in the network to actively contribute to resolving—

(A) the energy-related problems included on the list of the report under subsection (c)(2)(G)(ii); or

(B) any other energy-related problem that the contributor determines would advance the goals described in subsection (c)(1).

(6) PROTECTION OF INFORMATION AND IDEAS.—In operating the network under paragraph (3), the Secretary shall employ such individuals and entities with experience relating to—

(A) intellectual property as the Secretary determines to be necessary to ensure that—

(i) information and ideas presented, and discussed in the network are—

(I) monitored with respect to the intellectual property owners and components of the information or ideas; and

(II) protected in accordance with applicable Federal intellectual property law (including regulations);

(ii) information and ideas developed within the network are—

(I) monitored with respect to the intellectual property components of the developers of the information or ideas; and

(II) protected in accordance with applicable Federal intellectual property law (including regulations); and

(iii) contributors to the network are provided adequate assurances that intellectual property rights of the contributors will be protected with respect to participation in the network;

(B) setting up, maintaining, and operating a network that ensures security and reliability.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SA 1681. Mr. HAGEL (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle E of title II, add the following:

SEC. 2____. REESTABLISHMENT OF OFFICE OF TECHNOLOGICAL ASSESSMENT.

(a) OFFICE OF TECHNOLOGY ASSESSMENT.—

(1) IN GENERAL.—Sections 113 and 114 of the Legislative Branch Appropriations Act, 1996 (Public Law 104–52; 109 Stat. 526), are repealed.

(2) APPLICATION.—The Technology Assessment Act of 1972 (Public Law 92–484; 86 Stat. 797) shall be applied and administered as if sections 113 and 114 of the Legislative Branch Appropriations Act, 1996 (Public Law 104–52; 109 Stat. 526) had not been enacted.

(b) AMENDMENT TO SHORT TITLE.—

(1) IN GENERAL.—The first section of the Technology Assessment Act of 1972 (Public Law 92–484; 86 Stat. 797) is amended by striking ''Technology Assessment Act of 1972'' and inserting ''Office of Technology Assessment Reestablishment Act of 2007''.

(2) CROSS-REFERENCES.—Any reference in a law, regulation, or other document of the United States to the ''Technology Assessment Act of 1972'' shall be considered to be a reference to the ''Office of Technology Assessment Reestablishment Act of 2007''.

(c) ESTABLISHMENT OF OFFICE.—Section 3(c) of the Office of Technology Assessment Reestablishment Act of 2007 (Public Law 92–484; 86 Stat. 797) is amended—

(1) by redesignating paragraphs (1) through (8) as paragraphs (6) through (13), respectively;

(2) in paragraph (12) (as redesignated by paragraph (1)), by striking ''paragraphs (1) through (5)'' and inserting ''paragraphs (6) through (10)''; and

(3) by inserting before paragraph (6) (as redesignated by paragraph (1)), the following:

''(1) provide Congress with timely, impartial analyses of scientific and technological information;

''(2) make assessments relating to the uses and application of technology toward achieving national policy goals;

''(3) assess and analyze technologies that could contribute to solving energy security related issues;

''(4) assess and analyze foreign sciences and technologies that could contribute to achieving national policy goals;

''(5) assess the impact of existing or probable policies on scientific and technological advances;''.

(d) PRIORITY OF ASSESSMENTS; REQUIREMENTS.—Section 3 of the Office of Technology Assessment Reestablishment Act of 2007 (Public Law 92–484; 86 Stat. 798) is amended by adding at the end the following:

''(f) PRIORITY OF ASSESSMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), requests for the conduct of assessment activities under subsection (d)(1) shall be addressed by the Office in the following order:

''(A) Requests with bipartisan and bicameral support.

''(B) Requests with bipartisan support.

''(C) Requests from individual members of Congress.

''(2) EXCEPT.—Notwithstanding paragraph (1), the Director of the Office, with the approval of the Board, may determine the final priority for requests within and among the categories described in subparagraphs (A) through (C) of paragraph (1).

''(g) DEADLINE.—In conducting assessments requested under subsection (d)(1), the Director and the person or entity submitting the request shall agree on a timeline for the delivery of the results of the assessment, including briefings, findings, draft reports, final reports, or any other appropriate information.

''(h) PEER REVIEW.—Each assessment report requested under subsection (d) shall be subject to peer review, which shall consist of rigorous vetting, checking, criticism, and recommendations for improvement by independent, qualified experts in the various aspects of the matters being assessed.

''(i) AVAILABILITY OF ASSESSMENTS.—The Office shall maintain an electronic resource that makes available to the public—

''(1) assessments produced by the Office; and

''(2) any other information determined to be appropriate by the Director.''.

(e) USE OF THE CONGRESSIONAL BUDGET OFFICE.—The Office of Technology Assessment Reestablishment Act of 2007 (Public Law 92–484; 86 Stat. 797) is amended—

(1) by redesignating sections 10, 11, and 12, as sections 11, 13, and 14, respectively; and

(2) by inserting after section 9 the following:

''SEC. 10. USE OF CONGRESSIONAL BUDGET OFFICE.

''(a) IN GENERAL.—The Director of the Congressional Budget Office may make available to the Office any services and assistance that may be appropriate to carry out the objectives of this Act, including all of the services and assistance which the Congressional Budget Office is otherwise authorized to provide to the Congress.

''(b) REIMBURSEMENT.—Services and assistance made available to the Office by the Director of the Congressional Budget Office under this section may be provided with or without reimbursement by the Office, as agreed upon by the Board and the Director of the Congressional Budget Office.

''(c) EFFECT.—Nothing in this section alters or modifies any services or responsibilities (other than services performed for, and responsibilities relating to, the Office) that the Director of the Congressional Budget Office performs for or on behalf of the Congress under any law.''.

(f) COORDINATION WITH NATIONAL ACADEMIES.—The Office of Technology Assessment Reestablishment Act of 2007 (Public Law 92–484; 86 Stat. 797) is amended by inserting after section 11 (as redesignated by subsection (e)(1)) the following:

''SEC. 12. COORDINATION WITH NATIONAL ACADEMIES.

''The Office shall maintain a continuing liaison with the National Academies of Science with respect to—

''(1) grants and contracts formulated or activated by the National Academies of Science for purposes of technology assessment;

''(2) the promotion of coordination in areas of technology assessment; and

''(3) the avoidance of unnecessary duplication or overlapping of research activities in the development of technology assessment techniques and programs.''.

(g) AUTHORIZATION OF APPROPRIATIONS.—The Office of Technology Assessment Reestablishment Act of 2007 (Public Law 92–484; 86 Stat. 797) is amended by striking section 14 (as redesignated by subsection (e)(1)) and inserting the following:

''SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

''Of amounts in the Treasury not otherwise appropriated, there is authorized to be appropriated to the Office to carry out the duties of the Office pursuant to this Act $15,000,000 for each of fiscal years 2008 through 2013.''.

SA 1682. Mr. HAGEL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. APPLIANCE EFFICIENCY STANDARDS COMMISSION.

(a) APPLIANCE EFFICIENCY STANDARDS COMMISSION.—Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is amended by adding at the end the following:

''(hh) APPLIANCE EFFICIENCY STANDARDS COMMISSION.—

''(1) ESTABLISHMENT.—

''(A) ESTABLISHMENT.—There is established a commission to be known as the 'Appliance Efficiency Standards Commission' (referred to in this subsection as the 'Commission').

''(B) MEMBERSHIP.—

''(i) COMPOSITION.—The Commission shall be composed of 14 members appointed by the President, of whom—

''(I) 5 members shall be appointed to represent energy and manufacturing industries;

''(II) 3 members shall be appointed to represent consumer organizations;

''(III) 2 members shall be appointed from nongovernmental organizations that specialize in energy efficiency, environmental protection, or consumer advocacy; and

''(IV) 1 member shall be appointed from each of—

''(aa) the Department of Commerce;

''(bb) the National Academy of Sciences;

''(cc) the Department of Energy; and

''(dd) the Environmental Protection Agency.

''(ii) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 90 days after the date of enactment of this subsection.

''(C) TERM; VACANCIES.—

''(i) TERM.—Subject to clause (ii), the term of office of a member of the Commission shall be 3 years.

''(ii) STAGGERED INITIAL TERMS.—Of the initial members of the Commission appointed under clause (i), the term of office of—

''(I) 5 members shall be 3 years;

''(II) 5 members shall be 2 years; and

''(III) 4 members shall be 1 year.

''(iii) VACANCIES.—A vacancy on the Commission—

''(I) shall not affect the powers of the Commission; and

''(II) shall be filled in the same manner as the original appointment was made.

''(D) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

''(E) MEETINGS.—The Commission shall meet at the call of the Chairperson.

''(F) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

''(G) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a Chairperson and Vice Chairperson from among the members of the Commission.

''(2) DUTIES.—The Commission shall—

''(A) conduct ongoing studies of the establishment or improvement of energy conservation standards and test protocols for consumer goods and appliances that will reduce the use of electricity use of consumer products and improve the competitiveness of the United States; and

''(B) based on the studies, make recommendations to the Secretary for the establishment or improvement of energy conservation standards and test protocols through expedited rulemaking under subsection (ii).

''(3) POWERS.—

''(A) HEARINGS.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subsection.

''(B) INFORMATION FROM FEDERAL AGENCIES.—

''(i) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subsection.

''(ii) PROVISION OF INFORMATION.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

''(C) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

''(D) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

''(4) COMMISSION PERSONNEL MATTERS.—

''(A) COMPENSATION OF MEMBERS.—

''(i) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

''(ii) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

''(B) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

''(C) STAFF.—

''(i) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate an executive director and such other additional personnel as are necessary to enable the Commission to perform the duties of the Commission.

''(ii) CONFIRMATION OF EXECUTIVE DIRECTOR.—The employment of an executive director shall be subject to confirmation by the Commission.

''(iii) COMPENSATION.—

''(I) IN GENERAL.—Except as provided in subclause (I), the Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

''(II) MAXIMUM RATE OF PAY.—The rate of pay for the executive director and other personnel shall not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

''(D) DETAIL OF FEDERAL GOVERNMENT EMPLOYEES.—

''(i) IN GENERAL.—An employee of the Federal Government may be detailed to the Commission without reimbursement.

''(ii) CIVIL SERVICE STATUS.—The detail of the employee shall be without interruption or loss of civil service status or privilege.

''(E) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of that title.

''(5) ADMINISTRATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

''(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection, to remain available until expended.''.

(b) EXPEDITED RULEMAKINGS.—Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) (as amended by subsection (a)) is amended by adding at the end the following:

''(ii) EXPEDITED RULEMAKING FOR STANDARDS RECOMMENDED BY APPLIANCE EFFICIENCY STANDARDS COMMISSION.—

''(1) IN GENERAL.—The Secretary shall conduct an expedited rulemaking based on each energy conservation standard or test procedure recommended by the Appliance Efficiency Standards Commission established under subsection (hh).

''(2) PROCEDURE.—

''(A) IN GENERAL.—Notwithstanding subsection (p) or section 336(a), if the Secretary receives a recommendation of the Appliance Efficiency Standards Commission, the Secretary shall conduct an expedited rulemaking with respect to the standard or test procedure proposed in the recommendation in accordance with this paragraph.

''(B) ADVANCED NOTICE OF PROPOSED RULEMAKING.—If no advanced notice of proposed rulemaking has been issued under subsection (p)(1) with respect to the rulemaking covered by the recommendation, the requirements of subsection (p) with respect to the issuance of an advanced notice of proposed rulemaking shall not apply.

''(C) PROPOSED RULE.—

''(i) PUBLICATION.—Not later than 30 days after the receipt of a recommendation described in paragraph (1), the Secretary shall publish a proposed rule proposing the standard or test procedure covered by the recommendation.

''(ii) PUBLIC COMMENT PERIOD.—Notwithstanding paragraphs (2) and (3) of subsection (p), the public comment period for the proposed rule shall be the 30-day period beginning on the date of publication of the proposed rule in the Federal Register.

''(iii) PUBLIC HEARING.—Notwithstanding section 336(a), the Secretary may waive the holding of a public hearing with respect to the proposed rule.

''(D) FINAL RULE.—Notwithstanding subsection (p)(4), the Secretary—

''(i) may publish a final rule at any time after the 60-day period beginning on the date of publication of the proposed rule in the Federal Register; and

''(ii) shall publish a final rule not later than 120 days after the date of publication of the proposed rule in the Federal Register.''.

SA 1683. Mr. VOINOVICH (for himself, Mr. CARPER, and Mr. INHOFE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VII, add the following:

SEC. 7___. CONVENTION ON SUPPLEMENTARY COMPENSATION FOR NUCLEAR DAMAGE CONTINGENT COST ALLOCATION.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) (commonly known as the ''Price-Anderson Act'')—

(i) provides a predictable legal framework necessary for nuclear projects; and

(ii) ensures prompt and equitable compensation in the event of a nuclear incident in the United States;

(B) section 170 of that Act, in effect, provides operators of nuclear powerplants with insurance for damage arising out of a nuclear incident and funds the insurance primarily through the assessment of a retrospective premium from each operator after the occurrence of a nuclear incident;

(C) the Convention on Supplementary Compensation for Nuclear Damage, done at Vienna on September 12, 1997, will establish a global system—

(i) to provide a predictable legal framework necessary for nuclear energy projects; and

(ii) to ensure prompt and equitable compensation in the event of a nuclear incident;

(D) the Convention benefits United States nuclear suppliers that face potentially unlimited liability for a nuclear incidents outside the coverage of section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) by replacing a potentially open-ended liability with a predictable liability regime that, in effect, provides nuclear suppliers with insurance for damage arising out of such an incident;

(E) the Convention also benefits United States nuclear facility operators that may be publicly liable for a Price-Anderson incident by providing an additional early source for a Price-Anderson incident by providing an additional early source of funds to compensate damage arising out of the Price-Anderson incident;

(F) the combined operation of the Convention, section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210), and this section will augment the quantity of assured funds available for victims in a wider variety of nuclear incidents while reducing the potential liability of United States suppliers without increasing potential costs to United States operators;

(G) the cost of those benefits is the obligation of the United States to contribute to the supplementary compensation fund established by the Convention;

(H) any such contribution should be funded in a manner that neither upsets settled expectations based on the liability regime established under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) nor shifts to Federal taxpayers liability risks for nuclear incidents at foreign installations;

(I) with respect to a Price-Anderson incident, funds already available under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) should be used; and

(J) with respect to a nuclear incident outside the United States not covered by section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210), a retrospective premium should be prorated among nuclear suppliers relieved from potential liability for which insurance is not available.

(2) PURPOSE.—The purpose of this section is to allocate the contingent costs associated with participation by the United States in the international nuclear liability compensation system established by the Convention on Supplementary Compensation for Nuclear Damage, done at Vienna on September 12, 1997—

(A) with respect to a Price-Anderson incident, by using funds made available under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) to cover the contingent costs in a manner that neither increases the burdens nor decreases the benefits under section 170 of that Act; and

(B) with respect to a covered incident outside the United States that is not a Price-Anderson incident, by allocating the contingent costs equitably, on the basis of risk, among the class of nuclear suppliers relieved by the Convention from the risk of potential liability resulting from any covered incident outside the United States.

(b) DEFINITIONS.—In this section:

(1) COMMISSION.—The term ''Commission'' means the Nuclear Regulatory Commission.

(2) CONTINGENT COST.—The term ''contingent cost'' means the cost to the United States in the event of a covered incident the amount of which is equal to the amount of funds the United States is obligated to make available under paragraph 1(b) of Article III of the Convention.

(3) CONVENTION.—The term ''Convention'' means the Convention on Supplementary Compensation for Nuclear Damage, done at Vienna on September 12, 1997.

(4) COVERED INCIDENT.—The term ''covered incident'' means a nuclear incident the occurrence of which results in a request for funds pursuant to Article VII of the Convention.

(5) COVERED INSTALLATION.—The term ''covered installation'' means a nuclear installation at which the occurrence of a nuclear incident could result in a request for funds under Article VII of the Convention.

(6) COVERED PERSON.—

(A) IN GENERAL.—The term ''covered person'' means—

(i) a United States person; and

(ii) an individual or entity (including an agency or instrumentality of a foreign country) that—

(I) is located in the United States; or

(II) carries out an activity in the United States.

(B) EXCLUSIONS.—The term ''covered person'' does not include—

(i) the United States; or

(ii) any agency or instrumentality of the United States.

(7) NUCLEAR SUPPLIER.—The term ''nuclear supplier'' means a covered person (or a successor in interest of a covered person) that—

(A) supplies facilities, equipment, fuel, services, or technology pertaining to the design, construction, operation, or decommissioning of a covered installation; or

(B) transports nuclear materials that could result in a covered incident.

(8) PRICE-ANDERSON INCIDENT.—The term ''Price-Anderson incident'' means a covered incident for which section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) would make funds available to compensate for public liability (as defined in section 11 of that Act (42 U.S.C. 2014)).

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(10) UNITED STATES.—

(A) IN GENERAL.—The term ''United States'' has the meaning given the term in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014).

(B) INCLUSIONS.—The term ''United States'' includes—

(i) the Commonwealth of Puerto Rico;

(ii) any other territory or possession of the United States;

(iii) the Canal Zone; and

(iv) the waters of the United States territorial sea under Presidential Proclamation Number 5928, dated December 27, 1988 (43 U.S.C. 1331 note).

(11) UNITED STATES PERSON.—The term ''United States person'' means—

(A) any individual who is a resident, national, or citizen of the United States (other than an individual residing outside of the United States and employed by a person who is not a United States person); and

(B) any corporation, partnership, association, joint stock company, business trust, unincorporated organization, or sole proprietorship that is organized under the laws of the United States.

(c) USE OF PRICE-ANDERSON FUNDS.—

(1) IN GENERAL.—Funds made available under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) shall be used to cover the contingent cost resulting from any Price-Anderson incident.

(2) EFFECT.—The use of funds pursuant to paragraph (1) shall not reduce the limitation on public liability established under section 170 e. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(e)).

(d) EFFECT ON AMOUNT OF PUBLIC LIABILITY.—

(1) IN GENERAL.—Funds made available to the United States under Article VII of the Convention with respect to a Price-Anderson incident shall be used to satisfy public liability resulting from the Price-Anderson incident.

(2) AMOUNT.—The amount of public liability allowable under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) relating to a Price-Anderson incident under paragraph (1) shall be increased by an amount equal to the difference between—

(A) the amount of funds made available for the Price-Anderson incident under Article VII of the Convention; and

(B) the amount of funds used under subsection (c) to cover the contingent cost resulting from the Price-Anderson incident.

(e) RETROSPECTIVE RISK POOLING PROGRAM.—

(1) IN GENERAL.—Except as provided in paragraph (2), each nuclear supplier shall participate in a retrospective risk pooling program in accordance with this section to cover the contingent cost resulting from a covered incident outside the United States that is not a Price-Anderson incident.

(2) DEFERRED PAYMENT.—

(A) IN GENERAL.—The obligation of a nuclear supplier to participate in the retrospective risk pooling program shall be deferred until the United States is called on to provide funds pursuant to Article VII of the Convention with respect to a covered incident that is not a Price-Anderson incident.

(B) AMOUNT OF DEFERRED PAYMENT.—The amount of a deferred payment of a nuclear supplier under subparagraph (A) shall be based on the risk-informed assessment formula determined under subparagraph (C).

(C) RISK-INFORMED ASSESSMENT FORMULA.—

(i) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, and every 5 years thereafter, the Secretary shall, by regulation, determine the risk-informed assessment formula for the allocation among nuclear suppliers of the contingent cost resulting from a covered incident that is not a Price-Anderson incident, taking into account risk factors such as—

(I) the nature and intended purpose of the goods and services supplied by each nuclear supplier to each covered installation outside the United States;

(II) the quantity of the goods and services supplied by each nuclear supplier to each covered installation outside the United States;

(III) the hazards associated with the supplied goods and services if the goods and services fail to achieve the intended purposes;

(IV) the hazards associated with the covered installation outside the United States to which the goods and services are supplied;

(V) the legal, regulatory, and financial infrastructure associated with the covered installation outside the United States to which the goods and services are supplied; and

(VI) the hazards associated with particular forms of transportation.

(ii) FACTORS FOR CONSIDERATION.—In determining the formula, the Secretary may—

(I) exclude—

(aa) goods and services with negligible risk;

(bb) classes of goods and services not intended specifically for use in a nuclear installation;

(cc) a nuclear supplier with a de minimis share of the contingent cost; and

(dd) a nuclear supplier no longer in existence for which there is no identifiable successor; and

(II) establish the period on which the risk assessment is based.

(iii) APPLICATION.—In applying the formula, the Secretary shall not consider any covered installation or transportation for which funds would be available under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210).

(iv) REPORT.—Not later than 5 years after the date of enactment of this Act and every 5 years thereafter, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on whether there is a need for continuation or amendment of this section, taking into account the effects of the implementation of the Convention on the United States nuclear industry and suppliers.

(f) REPORTING.—

(1) COLLECTION OF INFORMATION.—

(A) IN GENERAL.—The Secretary may collect information necessary for developing and implementing the formula for calculating the deferred payment of a nuclear supplier under subsection (e)(2).

(B) PROVISION OF INFORMATION.—Each nuclear supplier and other appropriate persons shall make available to the Secretary such information, reports, records, documents, and other data as the Secretary determines, by regulation, to be necessary or appropriate to develop and implement the formula under subsection (e)(2)(C).

(2) PRIVATE INSURANCE.—The Secretary shall make available to nuclear suppliers, and insurers of nuclear suppliers, information to support the voluntary establishment and maintenance of private insurance against any risk for which nuclear suppliers may be required to pay deferred payments under this section.

(g) EFFECT ON LIABILITY.—Nothing in any other law (including regulations) limits liability for a covered incident to an amount equal to less than the amount prescribed in paragraph 1(a) of Article IV of the Convention, unless the law—

(1) specifically refers to this section; and

(2) explicitly repeals, alters, amends, modifies, impairs, displaces, or supersedes the effect of this subsection.

(h) PAYMENTS TO AND BY THE UNITED STATES.—

(1) ACTION BY NUCLEAR SUPPLIERS.—

(A) NOTIFICATION.—In the case of a request for funds under Article VII of the Convention resulting from a covered incident that is not a Price-Anderson incident, the Secretary shall notify each nuclear supplier of the amount of the deferred payment required to be made by the nuclear supplier.

(B) PAYMENTS.—

(i) IN GENERAL.—Except as provided in clause (ii), not later than 60 days after receipt of a notification under subparagraph (A), a nuclear supplier shall pay to the general fund of the Treasury the deferred payment of the nuclear supplier required under subparagraph (A).

(ii) ANNUAL PAYMENTS.—A nuclear supplier may elect to prorate payment of the deferred payment required under subparagraph (A) in 5 equal annual payments (including interest on the unpaid balance at the prime rate prevailing at the time the first payment is due).

(C) VOUCHERS.—A nuclear supplier shall submit payment certification vouchers to the Secretary of the Treasury in accordance with section 3325 of title 31, United States Code.

(2) USE OF FUNDS.—

(A) IN GENERAL.—Amounts paid into the Treasury under paragraph (1) shall be available to the Secretary of the Treasury, without further appropriation and without fiscal year limitation, for the purpose of making the contributions of public funds required to be made by the United States under the Convention.

(B) ACTION BY SECRETARY OF TREASURY.—The Secretary of the Treasury shall pay the contribution required under the Convention to the court of competent jurisdiction under Article XIII of the Convention with respect to the applicable covered incident.

(3) FAILURE TO PAY.—If a nuclear supplier fails to make a payment required under this subsection, the Secretary may take appropriate action to recover from the nuclear supplier—

(A) the amount of the payment due from the nuclear supplier;

(B) any applicable interest on the payment; and

(C) a penalty of not more than twice the amount of the deferred payment due from the nuclear supplier.

(i) LIMITATION ON JUDICIAL REVIEW; CAUSE OF ACTION.—

(1) LIMITATION ON JUDICIAL REVIEW.—

(A) IN GENERAL.—In any civil action arising under the Convention over which Article XIII of the Convention grants jurisdiction to the courts of the United States, any appeal or review by writ of mandamus or otherwise with respect to a nuclear incident that is not a Price-Anderson incident shall be in accordance with chapter 83 of title 28, United States Code, except that the appeal or review shall occur in the United States Court of Appeals for the District of Columbia Circuit.

(B) SUPREME COURT JURISDICTION.—Nothing in this paragraph affects the jurisdiction of the Supreme Court of the United States under chapter 81 of title 28, United States Code.

(2) CAUSE OF ACTION.—

(A) IN GENERAL.—Subject to subparagraph (B), in any civil action arising under the Convention over which Article XIII of the Convention grants jurisdiction to the courts of the United States, in addition to any other cause of action that may exist, an individual or entity shall have a cause of action against the operator to recover for nuclear damage suffered by the individual or entity.

(B) REQUIREMENT.—Subparagraph (A) shall apply only if the individual or entity seeks a remedy for nuclear damage (as defined in Article I of the Convention) that was caused by a nuclear incident (as defined in Article I of the Convention) that is not a Price-Anderson incident.

(C) EFFECT OF PARAGRAPH.—Nothing in this paragraph limits, modifies, extinguishes, or otherwise affects any cause of action that would have existed in the absence of enactment of this paragraph.

(j) RIGHT OF RECOURSE.—This section does not provide to an operator of a covered installation any right of recourse under the Convention.

(k) PROTECTION OF SENSITIVE UNITED STATES INFORMATION.—Nothing in the Convention or this section requires the disclosure of—

(1) any data that, at any time, was Restricted Data (as defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014));

(2) information relating to intelligence sources or methods protected by section 102A(i) of the National Security Act of 1947 (50 U.S.C. 403–1(i)); or

(3) national security information classified under Executive Order 12958 (50 U.S.C. 435 note; relating to classified national security information) (or a successor regulation).

(l) REGULATIONS.—

(1) IN GENERAL.—The Secretary or the Commission, as appropriate, may prescribe regulations to carry out section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) and this section.

(2) REQUIREMENT.—Rules prescribed under this subsection shall ensure, to the maximum extent practicable, that—

(A) the implementation of section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) and this section is consistent and equitable; and

(B) the financial and operational burden on a Commission licensee in complying with section 170 of that Act is not greater as a result of the enactment of this section.

(3) APPLICABILITY OF PROVISION.—Section 553 of title 5, United States Code, shall apply with respect to the promulgation of regulations under this subsection.

(4) EFFECT OF SUBSECTION.—The authority provided under this subsection is in addition to, and does not impair or otherwise affect, any other authority of the Secretary or the Commission to prescribe regulations.

(m) EFFECTIVE DATE.—This section takes effect on the date of enactment of this Act.

SA 1684. Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 21, strike lines 4 through 6 and insert the following:

(A) implementation of the requirement would significantly harm—

(i) the economy or environment of a State, region, or the United States; or

(ii) any industry located in a State, region, or the United States, particularly with respect to—

(I) producers of livestock, poultry, and pork products; and

(II) processors of food and food products;

SA 1685. Mr. HAGEL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title II, add the following:

SEC. 2___. ADVANCED COAL GENERATION DEPLOYMENT OF ADVANCED COAL GENERATION UNITS.

(a) DEFINITIONS.—In this section:

(1) AIR SEPARATION UNIT.—The term ''air separation unit'' means a technology capable of using ambient air to separate and concentrate a gas with 95 percent oxygen concentration for use in oxy fuel technology.

(2) CAPTURE-READY.—The term ''capture ready'' means the design of a new coal-fired unit that reduces the cost of and facilitates the addition of carbon dioxide separation and capture technologies after the unit has been placed into service.

(3) OXY FUEL.—The term ''oxy fuel'' means a coal-fired boiler that burns coal in an environment with a 95 percent oxygen concentration.

(4) SUBCRITICAL PULVERIZED COAL UNIT.—The term ''subcritical pulverized coal unit'' means a coal-fired boiler that operates—

(A) at a pressure below 3,200 pounds per square inch; and

(B) below a temperature of 1,025 degrees Fahrenheit.

(5) SUPERCRITICAL PULVERIZED COAL UNIT.—The term ''supercritical pulverized coal unit'' means a coal-fired boiler that—

(A) reaches an electricity generating efficiency of from 37 percent to 40 percent (High Heating Value); and

(B) operates at a minimum pressure of 3,500 pounds per square inch and a minimum temperature of 1,050 degrees Fahrenheit.

(6) ULTRASUPERCRITICAL PULVERIZED COAL UNIT.—The term ''ultrasupercritical pulverized coal unit'' means a coal-fired boiler that—

(A) reaches an electricity generating efficiency of more than 43 percent (High Heating Value); and

(B) operates at a minimum pressure of 4,600 pounds per square inch and a minimum temperature of 1,110 degrees Fahrenheit.

(b) EXEMPTION FROM NEW SOURCE REVIEW.—Effective beginning on the date of enactment of this Act, any subcritical pulverized coal unit in existence on the date of enactment of this Act that is rebuilt with a supercritical pulverized coal unit, or an ultrasupercritical pulverized coal unit, that includes post-combustion carbon dioxide capture technology or an oxy fuel pulverized coal unit shall be exempt from new source review requirements under the Clean Air Act (42 U.S.C. 7401 et seq.) if—

(1) there is no appreciable increase in the rate of regulated emissions calculated by quantity of pollutants removed per ton of coal used; and

(2) the new unit does not—

(A) cause the area in which the unit is located to deteriorate from an attainment to a nonattainment area; or

(B) alter the progress of the State in achieving attainment under the applicable State implementation plan.

(c) LOAN GUARANTEES FOR OXY FUEL AIR SEPARATION UNITS AND AIR-BLOWN ULTRASUPERCRITICAL PULVERIZED COAL UNITS THAT ARE CAPTURE-READY.—Section 1703(b) of the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is amended by adding at the end the following:

''(11) Air separation units and air-blown ultrasupercritical pulverized coal units that are capture ready (as the terms are defined in section 2___(a) of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007).''.

SA 1686. Mr. ALLARD submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. __. EXTENSION OF QUALIFIED GREEN BUILDING AND SUSTAINABLE DESIGN PROJECT BONDS.

(a) Subsection (l) of section 142 (relating to qualified green building and sustainable design projects) is amended—

(1) by striking ''2009'' in paragraph (8) and inserting ''2012'', and

(2) by striking ''2009'' in paragraph (9) and inserting ''2012''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 1687. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting

new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 292, strike line 7 and all that follows through page 293, line 6, and insert the following:

(4) the Department of Energy should be designated as the lead United States Government agency in charge of formulating and coordinating the national energy security policy of the United States, and in furtherance of these goals, there should be established within the Department of Energy an Assistant Secretary of Energy for Energy Security whose responsibilities should include—

(A) directing the development of the national energy security strategy of the United States;

(B) coordinating the national energy security policy of the United States with the Department of Defense, the Department of State, and the National Security Council, as appropriate, to address the impact of, and integrate national security and foreign policy on, the national energy security policy of the United States;

(C) monitoring international and domestic energy developments to gauge their impact on the national energy security policy of the United States and implementing changes in such policy as necessary to maintain the national security and energy security of the United States;

(D) identifying foreign sources of energy critical to the national energy security of the United States and developing strategies for ensuring United States access to critical foreign energy resources;

(E) developing strategies for reducing United States dependence on foreign sources of energy, including demand reduction, efficiency improvement, and development of alternative and new sources of domestic energy; and

(F) developing strategies in conjunction with the Department of State for working with major international producers and consumers, including China, Russia, the European Union, and Africa, to minimize politicization of global energy resources while ensuring access through global energy markets.

SA 1688. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 313, strike lines 20 and 21 and insert the following:

SEC. 707. ANNUAL NATIONAL ENERGY SECURITY STRATEGY REPORT.

(a) REPORTS.—

(1) IN GENERAL.—Subject to paragraph (2), on the date on which the President submits to Congress the budget for the following fiscal year under section 1105 of title 31, United States Code, the President shall submit to Congress a comprehensive report on the national energy security of the United States.

(2) NEW PRESIDENTS.—In addition to the reports required under paragraph (1), the President shall submit a comprehensive report on the national energy security of the United States by not later than 150 days after the date on which the President assumes the office of President after a presidential election.

(b) CONTENTS.—Each report under this section shall describe the national energy security strategy of the United States, including a comprehensive description of—

(1) the worldwide interests, goals, and objectives of the United States that are vital to the national energy security of the United States;

(2) the foreign policy, worldwide commitments, and national defense capabilities of the United States necessary—

(A) to deter political manipulation of world energy resources; and

(B) to implement the national energy security strategy of the United States;

(3) the proposed short-term and long-term uses of the political, economic, military, and other authorities of the United States—

(A) to protect or promote energy security; and

(B) to achieve the goals and objectives described in paragraph (1);

(4) the adequacy of the capabilities of the United States to protect the national energy security of the United States, including an evaluation of the balance among the capabilities of all elements of the national authority of the United States to support the implementation of the national energy security strategy; and

(5) such other information as the President determines to be necessary to inform Congress on matters relating to the national energy security of the United States.

(c) CLASSIFIED AND UNCLASSIFIED FORM.—Each national energy security strategy report shall be submitted to Congress in—

(1) a classified form; and

(2) an unclassified form.

SEC. 708. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

SA 1689. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

After section 706, insert the following:

SEC. 707. NATIONAL SECURITY COUNCIL REORGANIZATION.

Section 101(a) of the National Security Act of 1947 (50 U.S.C. 402(a)) is amended—

(1) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively; and

(2) by inserting after paragraph (4) the following:

''(5) the Secretary of Energy;''.

SA 1690. Mr. MENENDEZ (for himself and Mr. SANDERS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE VIII—SOLAR ENERGY

SEC. 801. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) solar energy is the most abundant energy source in the United States;

(2) solar energy can play a significant role in the economy of the United States;

(3) photovoltaic products are produced by domestic and foreign manufacturers and are purchased by thousands of people throughout the United States and foreign countries;

(4) photovoltaic products should be readily available and marketed efficiently to ensure that the people of the United States have adequate access to clean and renewable, domestically-produced energy;

(5) the maintenance and expansion of existing markets for solar energy are vital to the welfare of photovoltaic producers and those concerned with marketing, using, and producing photovoltaic products, as well as to the general economy of the United States; and

(6) photovoltaic products move in interstate and foreign commerce, and photovoltaic products that do not move in interstate or foreign commerce directly burden or affect interstate commerce of photovoltaic products.

(b) PURPOSES.—The purposes of this title are—

(1) to provide for the establishment of an orderly procedure for financing (through assessments on all photovoltaic products manufactured and shipped in the United States and on photovoltaic products imported into the United States) and carrying out a coordinated program of promotion and research designed to strengthen the position of the solar energy industry in the marketplace; and

(2) to maintain and expand domestic and foreign markets and uses for solar energy and solar energy products.

SEC. 802. DEFINITIONS.

In this title:

(1) ASSESSMENT.—The term ''assessment'' means a fee required to be paid for a photovoltaic product in accordance with an order at a rate equal to $.02 per watt, based on the nameplate capacity of the photovoltaic product (or an equivalent capacity of the photovoltaic product for balance-of-system components, as determined by the Secretary).

(2) BOARD.—The term ''Board'' means the Solar Energy Promotion and Research Board established under an order and described in section 803(b).

(3) CONSUMER INFORMATION.—The term ''consumer information'' means technology specifications, environmental data, and other information that would assist consumers and other persons in making evaluations and decisions regarding the purchase and use of solar energy products.

(4) DEPARTMENT.—The term ''Department'' means the Department of Energy.

(5) FOUNDATION.—The term ''Foundation'' means the Solar Energy Research and Education Foundation.

(6) IMPORTER.—The term ''importer'' means any person that imports a photovoltaic product into the United States.

(7) INDUSTRY INFORMATION.—The term ''industry information'' means information and programs that are designed to lead to the development of new markets, marketing strategies, increased efficiency, and activities to enhance the image of the solar energy industry.

(8) ORDER.—The term ''order'' means a final solar energy promotion and research order promulgated under section 803(b).

(9) PERSON.—The term ''person'' means any—

(A) individual;

(B) group of individuals;

(C) partnership;

(D) corporation;

(E) association;

(F) cooperative; or

(G) other entity.

(10) PHOTOVOLTAIC PRODUCT.—The term ''photovoltaic product'' means—

(A) any photovoltaic cell, module, or other solar electric product with a nameplate capacity that exceeds 1 watt; and

(B) any balance-of-system component (such as an inverter) used in a solar electric system.

(11) PRODUCER.—The term ''producer'' means any person that manufacturers photovoltaic products.

(12) PROMOTION.—The term ''promotion'' means any action (including paid advertising) to advance the image and desirability of solar energy products to improve the competitive position and stimulate the sales of solar energy products in the marketplace.

(13) RESEARCH.—The term ''research'' means—

(A) studies testing the effectiveness of market development and promotion efforts;

(B) studies relating to technological advancement or environmental benefit; and

(C) other related solar energy research and new product development.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(15) STATE.—The term ''State'' means—

(A) a State; and

(B) the District of Columbia.

(16) UNITED STATES.—The term ''United States'' means the all of the States.

SEC. 803. ORDERS.

(a) PROPOSED ORDER.—Not later than January 1, 2008, the Secretary shall—

(1) publish in the Federal Register a proposed solar energy promotion and research order; and

(2) provide notice and opportunity for public comment on the proposed order.

(b) FINAL ORDER.—Not later than 120 days after the date of publication of a proposed order in accordance with subsection (a), the Secretary shall promulgate a final order, which shall take effect as of that date of promulgation.

(c) REQUIREMENTS.—A final order promulgated under subsection (b) shall—

(1) provide for the establishment and selection of a Solar Energy Promotion and Research Board, to be composed of members who are producers or importers appointed by the Secretary from nominations submitted by the Solar Energy Industries Association;

(2) define the powers and duties of the Board, which shall—

(A) hold at least an annual meeting; and

(B) include only the powers—

(i) to administer the order issued under this section, in accordance with the terms and conditions of the order;

(ii) to recommend to the Secretary rules to carry out the order;

(iii) to approve or disapprove budgets submitted by the Foundation;

(iv) to receive, investigate, and report to the Secretary complaints of violations of the order;

(v) to collect and use assessments in accordance with this subsection; and

(vi) to recommend to the Secretary amendments to the order;

(3) specify the circumstances under which special meetings of the Board may be held;

(4) provide that—

(A)(i) except as provided in clauses (ii) through (iv)—

(I) the term of a member appointed to the Board shall be 3 years; and

(II) no member appointed to the Board may serve more than 2 consecutive terms;

(ii) with respect to the initial appointments to the Board, members shall be appointed in staggered 1-, 2-, and 3-year terms, as determined by the Secretary;

(iii) the Secretary shall have a permanent appointment to the Board; and

(iv) the President of the Solar Energy Industries Association shall have a permanent appointment to the Board;

(B) Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in carrying out the duties of the Board;

(C) the total costs of collection of assessments and administrative staff incurred by the Board during any fiscal year shall not exceed 5 percent of the projected total assessments to be collected by the Board for the fiscal year; and

(D) the Board shall use, to the maximum extent practicable, the resources, staff, and facilities of industry organizations to carry out the duties of the Board;

(5) provide that the Board shall oversee the disbursement of assessment funds to the Foundation for the promotion of solar energy;

(6) provide that the Foundation—

(A) shall develop plans or projects of promotion and advertising, research, consumer information, and industry information, to be funded by assessments collected by the Board;

(B) shall, in developing those plans or projects, to the maximum extent practicable, take into account similarities and differences between different solar technologies;

(C) to ensure coordination and efficient use of funds, shall enter into contracts or agreements with established nonprofit organizations to implement programs of promotion and advertising, research, consumer information, and industry information, on the condition that any such contract or agreement provides that—

(i) the person entering the contract or agreement shall develop and submit to the Foundation a proposal for a plan or project, together with 1 or more budgets that describe the estimated costs to be incurred for the plan or project;

(ii) the plan or project shall become effective on the approval of the Secretary; and

(iii) the person entering the contract or agreement shall, with respect to the plan or project—

(I) keep accurate records of all transactions;

(II) account for funds received and expended;

(III) submit to the Foundation periodic reports on activities conducted; and

(IV) submit such other reports as the Secretary, Board, or Foundation may require; and

(D) may use the resources, staff, and facilities of the Board and industry organizations to carry out the duties of the Foundation;

(7) provide that an employee of an industry organization—

(A) may not receive compensation for work performed for the Foundation; but

(B) shall be reimbursed from assessments collected by the Board for reasonable expenses incurred in performing that work;

(8) require the Board and the Foundation—

(A) to maintain such books and records, which shall be available to the Secretary for inspection and audit, as the Secretary may prescribe;

(B) to prepare and submit to the Secretary, from time to time, such reports as the Secretary may require; and

(C) to account for the receipt and disbursement of all funds received by the Board and Foundation;

(9) provide that—

(A) each producer shall, for each photovoltaic product produced by the producer, collect an assessment and remit the assessment to the Board in a manner prescribed by the order;

(B) each importer shall, for each photovoltaic product imported by the importer, pay to the Board an assessment in the manner prescribed by the order; and

(C) the Board shall use assessments received under this paragraph—

(i) to provide funds to the Foundation for use in carrying out solar energy projects;

(ii) to pay the costs of plans and projects carried out by the Board;

(iii) to reimburse employees as described in paragraph (7)(B);

(iv) to pay the administrative expenses incurred by the Board in carrying out the duties of the Board, and by the Secretary, after promulgation of the order (including administrative expenses incurred in carrying out a referendum under section 804); and

(v) to establish a reasonable reserve;

(10) permit the Board, with the approval of the Secretary, to invest funds collected through assessments, pending disbursement, only in—

(A) obligations of the United States (or any agency of the United States);

(B) general obligations of any State (or any political subdivision of a State);

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(11) prohibit any funds received by the Board under the order from being used to pay the salary of any Federal employee, other than for recommending amendments to the order;

(12) require that each producer and importer—

(A) maintain and make available for inspection such books and records as may be required by the order, including records of persons from which the producer or importer received payment for photovoltaic products produced or imported by the producer or importer;

(B) submit reports at such time, in such manner, and having such content as is prescribed by the order; and

(C) make information described in subparagraphs (A) and (B) available to the Secretary, upon request, for use in administering and enforcing the order or this title; and

(13) contain such other terms and conditions as are consistent with this title and necessary to carry out the order.

(d) AVAILABILITY OF INFORMATION.—

(1) IN GENERAL.—Subject to paragraph (2), information made available to the Secretary in accordance with subsection (c)(12) shall be—

(A) kept confidential by all officers and employees of the Department; and

(B) disclosed only—

(i) in the course of a civil action or administrative proceeding involving the order—

(I) that is brought or initiated at the request of the Secretary; or

(II) to which the Secretary or any other officer of the United States is a party; and

(ii) to the extent that the Secretary or a court of law determines the information to be relevant.

(2) NO PROHIBITION ON ISSUANCE OR PUBLICATION OF CERTAIN INFORMATION.—Nothing in this paragraph prohibits—

(A) the issuance of any general statement, based on any report submitted to the Secretary under subsection (c)(12)(B), of the number of persons subject to the order or statistical data collected by those persons, on the condition that the statement does not identify the information provided by any person; or

(B) the publication, by direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by the person.

(3) PROHIBITED DISCLOSURE.—

(A) IN GENERAL.—Except as otherwise provided in this subsection, no information obtained under this title or the order may be made available to any agency or officer of the United States for any purpose other than the implementation of this title and the order (including the conduct of any investigation or enforcement action necessary to implement this title or the order).

(B) PENALTY FOR VIOLATION.—A person that violates subparagraph (A) shall be—

(i) fined not more than $1,000, imprisoned for not more than 1 year, or both; and

(ii) if the person is an officer or employee of the Board or the Department, removed from office.

SEC. 804. REFERENDUM.

(a) CONTINUATION OR TERMINATION OF ORDER.—

(1) INITIAL REFERENDUM.—Not later than 4 years after the date of promulgation of the order or such earlier date as may be recommended by the Board, the Secretary shall conduct an initial referendum among persons who have been producers or importers during a representative period, as determined by the Secretary, to determine whether the producers and importers favor the termination of the order.

(2) SECOND REFERENDUM.—After conducting the initial referendum under paragraph (1), on the request of a representative group comprising 25 percent or more of the producers and importers that voted in the initial referendum, the Secretary may conduct a second referendum to determine whether producers and importers described in paragraph (1) favor the termination of the order.

(3) CONTINUATION OF ORDER.—The order shall remain in effect only if the Secretary determines that the order was approved by not less than—

(A) a majority of the producers and importers voting in the initial referendum under paragraph (1); or

(B) in the case of a second referendum conducted under paragraph (2), a majority of the producers and importers voting in that second referendum.

(4) FAILURE TO APPROVE CONTINUATION.—If the Secretary determines that continuation of the order is not approved by a majority of the persons voting in the initial referendum under paragraph (1) or a second referendum under paragraph (2), the Secretary shall—

(A) terminate the collection of assessments under the order by not later than 180 days after the date on which the Secretary makes that determination; and

(B) terminate the order, in an orderly manner, as soon as practicable after that date.

(b) ADMINISTRATIVE MATTERS.—

(1) REIMBURSEMENT.—Subject to section 803(c)(11)(A), the Department shall be reimbursed for expenditures relating to the conduct of a referendum under this section from assessments received by the Board in accordance with the order.

(2) TIME AND PLACE OF REFERENDUM; CERTIFICATION.—Subject to paragraph (3)—

(A) a referendum conducted under this section shall be conducted at local offices on a date and as determined by the Secretary; and

(B) at such a referendum, a producer or importer—

(i) shall certify that the producer or importer was engaged in the production of photovoltaic products during a representative period determined by the Secretary; and

(ii) on the same day, shall be provided an opportunity to vote in the referendum.

(3) ABSENTEE MAIL BALLOT.—The Secretary shall—

(A) provide for a producer or importer to receive an absentee mail ballot for use in voting in a referendum on request; and

(B) establish rules by which a producer or importer may use such an absentee mail ballot to vote in a referendum.

SEC. 805. ENFORCEMENT.

(a) RESTRAINING ORDER; CIVIL FINE.—If the Secretary determines that the administration and enforcement of this title or the order would be adequately served by the issuance of an administrative order or assessment of a civil penalty, following an opportunity for an administrative hearing on the record, the Secretary may—

(1) issue an administrative order to restrain or prevent a person from violating the order; and

(2) assess a civil fine of not more than $25,000 for each violation of the order.

(b) JURISDICTION OF DISTRICT COURT.—The United States district courts shall have exclusive jurisdiction over any civil action brought to enforce, or to prevent or restrain a person from violating, the order or this title.

(c) CIVIL ACTION TO BE REFERRED TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 806. INVESTIGATORY POWERS AND PROCEDURES.

(a) INVESTIGATIONS.—The Secretary may conduct such investigations as the Secretary determines to be necessary—

(1) for the effective administration of this title; or

(2) to determine whether any person subject to this title has engaged or is about to engage in any act that constitutes or will constitute a violation of the order or this title.

(b) POWERS.—

(1) IN GENERAL.—In conducting an investigation described in paragraph (1), the Secretary may administer such oaths and affirmations, subpoena and compel the attendance of such witnesses, receive such evidence, and require the production of such records as are relevant to the investigation.

(2) GEOGRAPHICAL BOUNDARY.—The attendance of witnesses and the production of records under paragraph (1) may be required from any place in the United States.

(3) JUDICIAL ACTION.—In a case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or in which the person resides or carries on business, to issue, and such a court may issue, an order requiring the attendance and testimony of the person and the production of any requested records.

(4) CONTEMPT.—Any failure to obey an order of a court issued under paragraph (3) may be punished by the court as a contempt of the court.

(5) SERVICE OF PROCESS.—Process in any case described in this subsection may be served—

(A) in the judicial district in which a person is an inhabitant; or

(B) wherever the person may be found.

SEC. 807. EFFECT ON OTHER AUTHORITY.

Nothing in this title preempts, supercedes, or otherwise affects any other Federal or State program relating to solar energy promotion.

SEC. 808. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out the consumer education activities authorized by the order and this title.

SA 1691. Mr. WYDEN (for himself and Mr. SUNUNU) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. REMOVAL OF ROYALTY RELIEF AUTHORITY.

Sections 344 and 345 of the Energy Policy Act of 2005 (42 U.S.C. 15904, 15905) are repealed.

SA 1692. Ms. MURKOWSKI submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. LICENSING OF LAKE DIANA HYDROELECTRIC PROJECT.

(a) IN GENERAL.—Notwithstanding any other provision of law, the license to construct the project described in the Federal Energy Regulatory Commission preliminary permit application numbered 12716–000 is approved.

(b) PROJECT CONSTRUCTION REQUIREMENTS.—The project referred to in subsection (a) shall be carried out in accordance with the notice of intent dated March 29, 2007, as determined by the Federal Energy Regulatory Commission under subsection (c).

(c) APPROVAL.—The Federal Energy Regulatory Commission shall approve the project only if the Commission determines that the project—

(1) will be carried out in accordance with the notice of intent referred to in subsection (b); and

(2) will best develop the affected water resources, in accordance with section 10(a) of the Federal Power Act (16 U.S.C. 803(a)).

(d) LICENSE CONDITIONS.—The license for the project referred to in subsection (a) shall include conditions identical to the license conditions relating to the use of affected water determined to be necessary and appropriate by the Federal Energy Regulatory

Commission under section 10(a) of that Act (16 U.S.C. 803(a)).

SA 1693. Mr. BINGAMAN (for himself, Mrs. BOXER, and Mr. REID) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 59, after line 21, insert the following:

Subtitle D—Environmental Safeguards

SEC. 161. GRANTS FOR PRODUCTION OF ADVANCED BIOFUELS.

(a) IN GENERAL.—The Secretary shall establish a grant program to encourage the production of advanced biofuels.

(b) REQUIREMENTS AND PRIORITY.—In making grants under this section, the Secretary—

(1) shall make awards to the proposals for advanced biofuels with the greatest reduction in lifecycle greenhouse gas emissions compared to the comparable motor vehicle fuel lifecycle emissions during calendar year 2007; and

(2) shall not make an award to a project that does not achieve at least a 50-percent reduction in such lifecycle greenhouse gas emissions.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $500,000,000 for the period of fiscal years 2008 through 2015.

SEC. 162. STUDIES OF EFFECTS OF RENEWABLE FUEL USE.

Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended by adding at the end the following:

''(t) STUDIES OF EFFECTS OF RENEWABLE FUEL USE.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Administrator shall offer to enter into appropriate arrangements with the National Academy of Sciences and any other independent research institute determined to be appropriate by the Administrator, in consultation with appropriate Federal agencies, to conduct 2 studies on the effects of increased domestic use of renewable fuels under the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(2) MATTERS TO BE STUDIED.—

''(A) IN GENERAL.—The studies under this subsection shall assess, quantify, and recommend analytical methodologies in relation to environmental changes associated with the increased domestic use of renewable fuels under the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, including production, handling, transportation, and use of the fuels.

''(B) SPECIFIC MATTERS.—The studies shall include an assessment and quantification, to the maximum extent practicable, of significant changes—

''(i) in air and water quality and the quality of other natural resources;

''(ii) in land use patterns;

''(iii) in the rate of deforestation in the United States and globally;

''(iv) to greenhouse gas emissions;

''(v) to significant geographic areas and habitats with high biodiversity values (including species richness, the presence of species that are exclusively native to a place, or the presence of endangered species); or

''(vi) in the long-term capacity of the United States to produce biomass feedstocks.

''(C) BASELINE COMPARISON.—In making an assessment or quantifying effects of increased use of renewable fuels, the studies shall use an appropriate baseline involving increased use of the conventional transportation fuels, if displacement by use of renewable fuels had not occurred.

''(3) REPORTS TO CONGRESS.—The Administrator shall submit to Congress a report summarizing the assessments and findings of—

''(A) the first study, along with any recommendations by the Administrator to mitigate adverse effects identified by the study, not later than 3 years after the date of enactment of this subsection; and

''(B) the second study, along with any recommendations by the Administrator to mitigate adverse effects identified by the study, not later December 31, 2015.''.

SEC. 163. INTEGRATED CONSIDERATION OF WATER QUALITY IN DETERMINATIONS ON FUELS AND FUEL ADDITIVES.

Section 211(c)(1) of the Clean Air Act (42 U.S.C. 7545(c)(1)) is amended—

(1) by striking ''nonroad vehicle (A) if in the judgment of the Administrator'' and inserting ''nonroad vehicle—

''(A) if, in the judgment of the Administrator, any fuel or fuel additive or'';

(2) in subparagraph (A), by striking ''air pollution which'' and inserting ''air pollution or water pollution (including any degradation in the quality of groundwater) that''; and

(3) by striking '', or (B) if'' and inserting the following: ''; or

''(B) if''.

SEC. 164. ANTI-BACKSLIDING.

Section 211 of the Clean Air Act (42 U.S.C. 7545) (as amended by section 162) is amended by adding at the end the following:

''(u) PREVENTION OF AIR QUALITY DETERIORATION.—

''(1) STUDY.—

''(A) IN GENERAL.—Not later than 18 months after the date of enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Administrator shall complete a study to determine whether the renewable fuel volumes required by that Act will adversely impact air quality as a result of changes in vehicle and engine emissions of air pollutants regulated under this Act.

''(B) CONSIDERATIONS.—The study shall include consideration of—

''(i) different blend levels, types of renewable fuels, and available vehicle technologies; and

''(ii) appropriate national, regional, and local air quality control measures.

''(2) REGULATIONS.—Not later than 3 years after the date of enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Administrator shall—

''(A) promulgate regulations to implement appropriate measures to mitigate, to the greatest extent achievable, considering the results of the study under paragraph (1), any adverse impacts on air quality, as the result of the renewable volumes required by that Act; or

''(B) make a determination that no such measures are necessary.

''(3) OTHER REQUIREMENTS.—Nothing in title I of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007 supercedes or otherwise affects any Federal or State requirement under any other provision of law that is more stringent than any requirement of this title.''.

SA 1694. Mr. BINGAMAN (for himself, Mrs. BOXER, and Mr. REID) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

SEC. 165. LIFECYCLE GREENHOUSE GAS EMISSIONS FOR ADVANCED BIOFUELS.

(a) 50-PERCENT REDUCTION.—In addition to or as part of the regulations promulgated under section 111(a)(1), the President shall promulgate regulations to ensure that advanced biofuels achieve at least a 50-percent reduction in lifecycle greenhouse gas emissions compared to the comparable transportation fuel.

(b) FAILURE TO ACHIEVE.—Notwithstanding paragraphs (1) and (3) of section 102 and section 111(a)—

(1) an advanced biofuel that achieves a reduction of at least 20 percent, but less than 50 percent, in lifecycle greenhouse gas emissions compared to gasoline shall be considered a conventional biofuel under section 111(a); and

(2) an advanced biofuel that achieves a reduction of less than 20 percent in lifecycle greenhouse gas emissions compared to gasoline shall not be considered to be a renewable fuel under section 111(a).

SA 1695. Mr. BINGAMAN (for himself, Mrs. BOXER, and Mr. REID) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, between lines 23 and 24, insert the following:

(4) LIFECYCLE GREENHOUSE GAS EMISSIONS.—The term ''lifecycle greenhouse gas emissions'' means the aggregate quantity of greenhouse gases attributable to the production, transportation, and use of renewable fuel, including the production, extraction, cultivation, distribution, marketing, and transportation of feedstocks, as modified by deducting, as determined by the Administrator of the Environmental Protection Agency—

(A) any greenhouse gases captured at the facility and sequestered; and

(B) the carbon content, expressed in units of carbon dioxide equivalent, of any feedstock that is renewable biomass.

On page 7, line 24, strike ''(4)'' and insert ''(5)''.

On page 9, line 11, strike ''(5)'' and insert ''(6)''.

On page 10, line 1, strike ''(6)'' and insert ''(7)''.

On page 10, line 3, strike ''(7)'' and insert ''(8)''.

SA 1696. Mr. NELSON of Nebraska (for himself, Mr. CRAIG, Mr. CRAPO, Mr. KOHL, Mr. ALLARD, and Mr. THUNE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 2. CREDIT FOR PRODUCTION OF BIOGAS FROM CERTAIN RENEWABLE FEEDSTOCKS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 40A the following new section:

''SEC. 40B. BIOGAS PRODUCED FROM CERTAIN RENEWABLE FEEDSTOCKS.

''(a) GENERAL RULE.—For purposes of section 38, the qualified biogas production credit for any taxable year is an amount equal to the product of—

''(1) $4.27, and

''(2) each million British thermal units (mmBtu) of biogas—

''(A) produced by the taxpayer—

''(i) from qualified energy feedstock, and

''(ii) at a qualified facility, and

''(B) either—

''(i) sold by the taxpayer to an unrelated person during the taxable year, or

''(ii) used by the taxpayer during the taxable year.

''(b) DEFINITIONS.—

''(1) BIOGAS.—The term 'biogas' means a gas that—

''(A) is derived by processing qualified energy feedstock through anaerobic digestion, gasification, or other similar processes, and

''(B) is an energy or fuel alternative to fossil fuels such as coal, natural gas or petroleum-based products.''

''(2) QUALIFIED ENERGY FEEDSTOCK.—

''(A) IN GENERAL.—The term 'qualified energy feedstock' means—

''(i) manure of agricultural livestock, including litter, wood shavings, straw, rice hulls, bedding material, and other materials incidentally collected with the manure,

''(ii) any nonhazardous, cellulosic, or other organic agricultural or food industry byproduct or waste material that is derived from—

''(I) harvesting residues,

''(II) wastes or byproducts from fermentation processes, ethanol production, biodiesel production, slaughter of agricultural livestock, food production, food processing, or food service, or

''(III) other organic wastes, byproducts, or sources, or

''(iii) solid wood waste materials, including waste pallets, crates, dunnage, manufacturing and construction wood wastes, and landscape or right-of-way tree trimmings.

''(B) EXCLUSIONS.—The term 'qualified energy feedstock' does not include—

''(i) pressure-treated, chemically-treated, or painted wood wastes,

''(ii) municipal solid waste,

''(iii) landfills, or

''(iv) paper that is commonly recycled.

''(C) AGRICULTURAL LIVESTOCK.—The term 'agricultural livestock' means poultry, cattle, sheep, swine, goats, horses, mules, and other equines.

''(3) QUALIFIED FACILITY.—The term 'qualified facility' means a facility that—

''(A) uses anaerobic digestion technology, gasification technology, or other similar technologies to process qualified energy feedstock into biogas,

''(B) is owned by the taxpayer,

''(C) is located in the United States,

''(D) is originally placed in service before January 1, 2018, and

''(E) the biogas output of which is—

''(i) marketed through interconnection with a gas distribution or transmission pipeline, or

''(ii) used on-site or off-site in a quantity that is sufficient to offset the consumption of at least 50,000 mmBtu annually of commercially–marketed fuel derived from coal, crude oil, natural gas, propane, or other fossil fuel.

''(c) SPECIAL RULES.—For purposes of this section—

''(1) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a facility in which more than 1 person has an ownership interest, except to the extent provided in regulations prescribed by the Secretary, production from the qualified facility shall be allocated among such persons in proportion to their respective ownership interests in the gross sales from such qualified facility.

''(2) RELATED PERSONS.—Persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b). In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling biogas to an unrelated person if such biogas is sold to such a person by another member of such group.

''(3) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(4) COORDINATION WITH CREDIT FROM PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.—The amount of biogas produced and sold or used by the taxpayer during any taxable year which is taken into account under this section shall be reduced by the amount of biogas produced and sold by the taxpayer in such taxable year which is taken into account under section 45K.

''(5) CREDIT ELIGIBILITY IN THE CASE OF GOVERNMENT-OWNED FACILITIES USING POULTRY WASTE.—In the case of a facility using poultry waste to produce biogas and owned by a governmental unit, subparagraph (B) of subsection (b)(3) shall be applied by substituting 'is leased or operated by the taxpayer' for 'is owned by the taxpayer'.

''(d) TRANSFERABILITY OF CREDIT.—

''(1) IN GENERAL.—A taxpayer may transfer the credit under this section through an assignment to any person. Such transfer may be revoked only with the consent of the Secretary.

''(2) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to ensure that any credit transferred under paragraph (1) is claimed once and not reassigned by such other person.

''(e) ADJUSTMENT BASED ON INFLATION.—

''(1) IN GENERAL.—The $4.27 amount under subsection (b)(1) shall be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the sale occurs. If any amount as increased under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

''(2) COMPUTATION OF INFLATION ADJUSTMENT FACTOR.—

''(A) IN GENERAL.—The Secretary shall, not later than April 1 of each calendar year, determine and publish in the Federal Register the inflation adjustment factor in accordance with this paragraph.

''(B) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GDP implicit price deflator for the preceding calendar year and the denominator of which is the GDP implicit price deflator for calendar year 2007. The term 'GDP implicit price deflator' means the most recent revision of the implicit price deflator for the gross domestic product as computed and published by the Department of Commerce before March 15 of the calendar year.

''(f) APPLICATION OF SECTION.—This section shall apply with respect to biogas produced and sold—

''(1) after the date of the enactment of this section, and

''(2) before the date on which the Secretary of Energy certifies that 100,000,000 British thermal units of biogas have been produced at qualified facilities after such date.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 is amended by striking ''plus'' at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting '', plus'', and by adding at the end the following new paragraph:

''(32) the qualified biogas production credit under section 40B(a).''.

(c) CREDIT ALLOWED AGAINST AMT.—Section 38(c)(4)(B) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii)(II) and inserting '', and'', and by adding at the end the following new clause:

''(iii) the credit determined under section 40B.''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 40A the following new item:

''Sec. 40B. Biogas produced from certain renewable feedstocks.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to biogas produced and sold or used in taxable years beginning after the date of the enactment of this Act.

SA 1697. Mr. WEBB submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 283, after line 20, insert the following:

(d) MAJOR ENERGY PRODUCER RECORDS.—

(1) IN GENERAL.—Following the declaration of an energy emergency by the President under section 606, a major energy producer (as defined by section 702) shall maintain and shall make available to the Federal Trade Commission, such books, accounts, memoranda, and other records as the Commission determines are relevant to determine whether the producer is in violation of this title.

(2) RETENTION.—A major energy producer subject to paragraph (1) shall retain records

required by paragraph (1) for a period of 1 year after the expiration of the declaration of an energy emergency.

SA 1698. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

In section 102(4), strike subparagraph (A) and insert the following:

(A) nonmerchantable materials or precommercial thinnings that—

(i) are byproducts of preventive treatments, such as trees, wood, brush, thinnings, chips, and slash, that are removed—

(I) to reduce hazardous fuels;

(II) to reduce or contain disease or insect infestation; or

(III) to restore forest health;

(ii) would not otherwise be used for higher-value products; and

(iii) are harvested from National Forest System land or public land (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702))—

(I) where permitted by law; and

(II) in accordance with—

(aa) applicable land management plans; and

(bb) the requirements for old-growth maintenance, restoration, and management direction of paragraphs (2), (3), and (4) of subsection (e) and the requirements for large-tree retention of subsection (f) of section 102 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512); or

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SA 1699. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 117, strike line 21 and all that follows through page 118, line 10, and insert the following:

SEC. 241. LIGHTWEIGHT MATERIALS RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a research and development program to determine ways in which—

(1) the weight of motor vehicle structures may be reduced to improve fuel efficiency without compromising passenger safety;

(2) the cost of primary lightweight materials (such as high-strength steel alloys, aluminum, magnesium, and carbon fiber for reinforced polymer composites) with the properties required for the construction of lighter-weight vehicles may be reduced; and

(3) the cost of processing, joining, and recycling lightweight materials for high-volume applications may be reduced.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to the appropriated to carry out this section $90,000,000 for each of fiscal years 2007 through 2012.

SA 1700. Ms. COLLINS submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title I, add the following:

SEC. 13__. RESEARCH AND DEVELOPMENT IN SUPPORT OF LOW-CARBON FUELS.

(a) DECLARATION OF POLICY.—Congress declares that, in order to achieve maximum reductions in greenhouse gas emissions, enhance national security, and ensure the protection of wildlife habitat, biodiversity, water quality, air quality, and rural and regional economies throughout the lifecycle of each low-carbon fuel, it is necessary and desirable to undertake a combination of basic and applied research, as well as technology development and demonstration, involving the colleges and universities of the United States, in partnership with the Federal Government, State governments, and the private sector.

(b) PURPOSE.—The purpose of this section is to provide for research support to facilitate the development of sustainable markets and technologies to produce and use woody biomass and other low-carbon fuels for the production of thermal and electric energy, biofuels, and bioproducts.

(c) DEFINITION OF FUEL EMISSION BASELINE.—In this section, the term ''fuel emission baseline'' means the average lifecycle greenhouse gas emissions per unit of energy of the fossil fuel component of conventional transportation fuels in commerce in the United States in calendar year 2008, as determined by the President.

(d) GRANT PROGRAM.—The President shall establish a program to provide to eligible entities (as identified by the President) grants for use in—

(1) providing financial support for not more than 4 nor less than 6 demonstration facilities that—

(A) use woody biomass to deploy advanced technologies for production of thermal and electric energy, biofuels, and bioproducts; and

(B) are targeted at regional feedstocks and markets;

(2) conducting targeted research for the development of cellulosic ethanol and other liquid fuels from woody or other biomass that may be used in transportation or stationary applications, such as industrial processes or industrial, commercial, and residential heating;

(3) conducting research into the best scientifically-based and periodically-updated methods of assessing and certifying the impacts of each low-carbon fuel with respect to—

(A) the reduction in lifecycle greenhouse gas emissions of each fuel as compared to—

(i) the fuel emission baseline; and

(ii) the greenhouse gas emissions of other sectors, such as the agricultural, industrial, and manufacturing sectors;

(B) the contribution of the fuel toward enhancing the energy security of the United States by displacing imported petroleum and petroleum products;

(C) any impacts of the fuel on wildlife habitat, biodiversity, water quality, and air quality; and

(D) any effect of the fuel with respect to rural and regional economies;

(4) conducting research to determine to what extent the use of low-carbon fuels in the transportation sector would impact greenhouse gas emissions in other sectors, such as the agricultural, industrial, and manufacturing sectors;

(5) conducting research for the development of the supply infrastructure that may provide renewable biomass feedstocks in a consistent, predictable, and environmentally-sustainable manner;

(6) conducting research for the development of supply infrastructure that may provide renewable low-carbon fuels in a consistent, predictable, and environmentally-sustainable manner; and

(7) conducting policy research on the global movement of low-carbon fuels in a consistent, predictable, and environmentally-sustainable manner.

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

(1) $45,000,000 for fiscal year 2009;

(2) $50,000,000 for fiscal year 2010;

(3) $55,000,000 for fiscal year 2011;

(4) $60,000,000 for fiscal year 2012; and

(5) $65,000,000 for fiscal year 2013.

SA 1701. Mrs. DOLE submitted an amendment to be proposed by her to the bill S. 1639, to provide for comprehensive immigration reform and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

(s) DEFINITION OF AGGRAVATED FELONY AND ADDITIONAL GROUNDS FOR INELIGIBILITY FOR Z NONIMMIGRANT STATUS.—

(1) AGGRAVATED FELONY.—Section 101(a)(43) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(43)) is amended—

(A) by striking ''and'' at the end of subparagraph (T);

(B) by striking the period at the end of subparagraph (U) and inserting ''; and'' and

(C) by adding at the end the following:

''(V) a second conviction for drunk driving, regardless of the State in which the conviction occurred or whether the offense is classified as a misdemeanor or a felony under State law.''.

(2) GROUNDS FOR INELIGIBILITY.—In addition to the grounds of ineligibility described in subsection (d)(1)(F), an alien shall be ineligible for Z nonimmigrant status if the alien has been convicted of drunk driving, regardless of the State in which the conviction occurred or whether the offense is classified as a misdemeanor or a felony under State law.

SA 1702. Ms. SNOWE (for herself and Mr. KERRY) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 161, between lines 2 and 3, insert the following:

SEC. 269. EXPRESS LOANS FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY.

Section 7(a)(31) of the Small Business Act (15 U.S.C. 636(a)(31)) is amended by adding at the end the following:

''(F) EXPRESS LOANS FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY.—

''(i) DEFINITIONS.—In this subparagraph—

''(I) the term 'biomass'—

''(aa) means any organic material that is available on a renewable or recurring basis, including—

''(AA) agricultural crops;

''(BB) trees grown for energy production;

''(CC) wood waste and wood residues;

''(DD) plants (including aquatic plants and grasses);

''(EE) residues;

''(FF) fibers;

''(GG) animal wastes and other waste materials; and

''(HH) fats, oils, and greases (including recycled fats, oils, and greases); and

''(bb) does not include—

''(AA) paper that is commonly recycled; or

''(BB) unsegregated solid waste;

''(II) the term 'energy efficiency project' means the installation or upgrading of equipment that results in a significant reduction in energy usage; and

''(III) the term 'renewable energy system' means a system of energy derived from—

''(aa) a wind, solar, biomass (including biodiesel), or geothermal source; or

''(bb) hydrogen derived from biomass or water using an energy source described in item (aa).

''(ii) LOANS.—Loans may be made under the 'Express Loan Program' for the purpose of—

''(I) purchasing a renewable energy system; or

''(II) an energy efficiency project for an existing business.''.

SA 1703. Ms. MURKOWSKI submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. ____. TAX TREATMENT OF INCOME RECEIVED IN CONNECTION WITH THE EXXON VALDEZ LITIGATION.

(a) INCOME AVERAGING OF AMOUNTS RECEIVED FROM THE EXXON VALDEZ LITIGATION.—For purposes of section 1301 of the Internal Revenue Code of 1986—

(1) any qualified taxpayer who receives any qualified settlement income in any taxable year shall be treated as engaged in a fishing business (determined without regard to the commercial nature of the business), and

(2) such qualified settlement income shall be treated as income attributable to such a fishing business for such taxable year.

(b) QUALIFIED SETTLEMENT INCOME NOT INCLUDED IN SECA.—For purposes of chapter 2 of the Internal Revenue Code of 1986 and section 211 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as self-employment income.

(c) QUALIFIED TAXPAYER.—For purposes of this section, the term ''qualified taxpayer'' means—

(1) any plaintiff in the civil action *In re Exxon Valdez*, No. 89–095–CV (HRH) (Consolidated) (D. Alaska); or

(2) any beneficiary of the estate of such a plaintiff who—

(A) acquired the right to receive qualified settlement income from that plaintiff; and

(B) was the spouse or an immediate relative of that plaintiff.

(d) QUALIFIED SETTLEMENT INCOME.—For purposes of this section, the term ''qualified settlement income'' means income, including interest and any punitive damage award, received (whether as lump sums or periodic payments) in connection with the civil action *In re Exxon Valdez*, No. 89–095–CV (HRH) (Consolidated) (D. Alaska) (whether pre- or post judgment and whether related to a settlement or judgment).

SA 1704. Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. BINGAMAN, Ms. CANTWELL, Mr. WYDEN, Mr. SCHUMER, Mr. SALAZAR, and Ms. SNOWE) proposed an amendment to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE VIII—ENERGY TAX PROVISIONS

SEC. 800. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the ''Energy Advancement and Investment Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Subtitle A—Energy Advancement and Investment

PART I—ADVANCED ELECTRICITY INFRASTRUCTURE

SEC. 801. EXTENSION AND MODIFICATION OF RENEWABLE ELECTRICITY, REFINED COAL, AND INDIAN COAL PRODUCTION CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Section 45(d) (relating to qualified facilities) is amended—

(A) by striking ''January 1, 2009'' each place it appears in paragraphs (1), (2), (3), (4), (5), (6), (7), (8), and (9) and inserting ''January 1, 2014'', and

(B) by striking ''7-year period'' both places it appears in paragraph (10)(A) and inserting ''8-year period''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) CREDIT RATE FOR ELECTRICITY MAINTAINED AT 2007 LEVEL.—

(1) IN GENERAL.—Section 45(a)(1) (relating to general rule) is amended by striking ''1.5 cents'' and inserting ''2 cents''.

(2) NO INFLATION ADJUSTMENT.—Section 45(b)(2) (relating to credit and phaseout adjustment based on inflation) is amended by striking ''1.5 cent amount in subsection (a), the''.

(3) CONFORMING AMENDMENTS.—Section 45(b)(4)(A) is amended—

(A) by striking ''2003'' and inserting ''2006'', and

(B) by striking ''the amount in effect'' and all that follows and inserting ''subsection (a)(1) shall be applied by substituting '0.9 cent' for '2 cents'.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to electricity produced and sold after December 31, 2006.

(c) MODIFICATION OF REFINED COAL AS A QUALIFIED ENERGY RESOURCE.—

(1) ELIMINATION OF INCREASED MARKET VALUE TEST.—Section 45(c)(7)(A) (defining refined coal) is amended—

(A) by striking clause (iv),

(B) by adding ''and'' at the end of clause (ii), and

(C) by striking '', and'' at the end of clause (iii) and inserting a period.

(2) INCREASE IN REQUIRED EMISSION REDUCTION.—Section 45(c)(7)(B) (defining qualified emission reduction) is amended by inserting ''at least 40 percent of the emissions of'' after ''nitrogen oxide and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to coal produced and sold after December 31, 2007.

(d) CREDIT ALLOWED FOR ON-SITE USE OF ELECTRICITY PRODUCED FROM BIOMASS.—

(1) ON-SITE USE.—Section 45(e) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(12) CREDIT ALLOWED FOR ON-SITE USE OF ELECTRICITY PRODUCED FROM BIOMASS.—In the case of electricity produced after December 31, 2007, at any facility described in paragraph (2) or (3) which is equipped with net metering to determine electricity consumption or sale (such consumption or sale to be verified by a third party as determined by the Secretary), subsection (a)(2) shall be applied without regard to subparagraph (B) thereof.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

(e) EXPANSION OF RESOURCES TO WAVE, CURRENT, TIDAL, AND OCEAN THERMAL ENERGY.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources) is amended by striking ''and'' at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting '', and'', and by adding at the end the following new subparagraph:

''(I) wave, current, tidal, and ocean thermal energy.''.

(2) DEFINITION OF RESOURCES.—Section 45(c) is amended by adding at the end the following new paragraph:

''(10) WAVE, CURRENT, TIDAL, AND OCEAN THERMAL ENERGY.—The term 'wave, current, tidal, and ocean thermal energy' means electricity produced from any of the following:

''(A) Free flowing ocean water derived from tidal currents, ocean currents, waves, or estuary currents.

''(B) Ocean thermal energy.''.

(3) FACILITIES.—Section 45(d) is amended by adding at the end the following new paragraph:

''(11) WAVE, CURRENT, TIDAL, AND OCEAN THERMAL FACILITY.—In the case of a facility using resources described in subparagraph (A), (B), or (C) of subsection (c)(10) to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after the date of the enactment of this paragraph and before January 1, 2014, but such term shall not include a facility which includes impoundment structures or a small irrigation power facility.''.

(4) CREDIT RATE.—Section 45(b)(4)(A) (relating to credit rate), as amended by this section, is amended by striking ''or (9)'' and inserting ''(9), or (11)''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(f) TRASH FACILITY CLARIFICATION.—

(1) IN GENERAL.—Paragraph (7) of section 45(d) is amended—

(A) by striking ''facility which burns'' and inserting ''facility (other than a facility described in paragraph (6)) which uses'', and

(B) by striking ''COMBUSTION''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to electricity produced and sold before, on, or after December 31, 2007.

SEC. 802. EXTENSION AND MODIFICATION OF CREDIT FOR CLEAN RENEWABLE ENERGY BONDS.

(a) INCREASE IN AMOUNT OF BONDS DESIGNATED; 4-YEAR EXTENSION.—

(1) IN GENERAL.—Section 54(f) (relating to limitation on amount of bonds designated) is amended by adding at the end the following new paragraph:

''(3) NATIONAL ANNUAL LIMITATION.—

''(A) IN GENERAL.—There is a national clean renewable energy bond annual limitation for each calendar year. Such limitation is $900,000,000 for 2008, 2009, 2010, and 2011, and, except as provided in subparagraph (C), zero thereafter.

''(B) ALLOCATION BY SECRETARY.—The national clean renewable energy bond limitation for a calendar year shall be allocated by the Secretary among qualified projects in such manner as the Secretary determines appropriate, except that the Secretary may not allocate more than $563,000,000 of such limitation for each calendar year to finance qualified projects of qualified borrowers which are governmental bodies, of which not less than one-half of such amount shall be allocated with respect to qualified projects equaling or exceeding $10,000,000 in capital expenditures per project.

''(C) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year, the national clean renewable energy bond annual limitation for such year exceeds the amount of bonds allocated during such year, such limitation for the following calendar year shall be increased by the amount of such excess. Any carryforward of a limitation may be carried only to the first year following the unused limitation year. For purposes of the preceding sentence, a limitation shall be treated as used on a first-in first-out basis.''.

(2) CONFORMING AMENDMENT.—Section 54 is amended by striking subsection (m).

(b) LIMITATION ON TIME FOR ISSUANCE.—Section 54(d)(1)(A) (defining clean renewable energy bond) is amended by inserting '', or is issued by the qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national clean renewable energy bond annual limitation under subsection (f)(3) by not later than the end of the calendar year following the year of such allocation'' after ''subsection (f)(2)''.

(c) MODIFICATION OF RATABLE PRINCIPAL AMORTIZATION REQUIREMENT.—

(1) IN GENERAL.—Paragraph (5) of section 54(l) is amended to read as follows:

''(5) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a clean renewable energy bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each 12-month period that the issue is outstanding (other than the first 12-month period in the case of bonds issued pursuant to an allocation under subsection (f)(3)).''.

(2) CONFORMING AMENDMENT.—The third sentence of section 54(e)(2) is amended by striking ''subsection (l)(6)'' and inserting ''subsection (l)(5)''.

(d) QUALIFIED PROJECT INCLUDES CERTAIN TRANSMISSION LINES.—Section 54(d)(2)(A) (defining qualified project) is amended by inserting ''and any electric transmission property capital expenditures (as defined in section 172(b)(1)(I)(v)(I)) related to such facility'' after ''qualified borrower''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 803. CLEAN COAL ENERGY BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 54A. CREDIT TO HOLDERS OF CLEAN COAL ENERGY BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a clean coal energy bond on 1 or more credit allowance dates of the bond occurring during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a clean coal energy bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any clean coal energy bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any clean coal energy bond, the Secretary shall determine daily or cause to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of clean coal energy bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

''Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than subpart C, section 1400N(l), and this section).

''(d) CLEAN COAL ENERGY BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'clean coal energy bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national clean coal energy bond limitation under subsection (f)(2),

''(B) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred by qualified borrowers for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

''(D) the issue meets the requirements of subsection (h).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means a qualifying advanced coal project (as defined in section 48A(c)(1)) placed in service by a qualified borrower.

''(B) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a clean coal energy bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by a qualified borrower after the date of the enactment of this section.

''(C) REIMBURSEMENT.—For purposes of paragraph (1)(B), a clean coal energy bond may be issued to reimburse a qualified borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the qualified borrower declared its intent to reimburse such expenditure with the proceeds of a clean coal energy bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(D) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a clean coal energy bond.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a clean coal energy bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of subsection (l)(5) and using as a discount rate the average annual interest rate of tax of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a national clean coal energy bond limitation of $3,000,000,000.

''(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate, except that the Secretary may not allocate more than $1,875,000,000 of the national clean coal energy bond limitation to finance qualified projects of qualified borrowers which are governmental bodies.

''(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the clean coal energy bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the clean coal energy bond or, in the case of a clean coal energy bond the proceeds of which are to be loaned to 2 or more qualified borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a qualified borrower, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue

shall not be treated as a clean coal energy bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) COOPERATIVE ELECTRIC COMPANY; CLEAN COAL ENERGY BOND LENDER; GOVERNMENTAL BODY; QUALIFIED BORROWER.—For purposes of this section—

''(1) COOPERATIVE ELECTRIC COMPANY.—The term 'cooperative electric company' means a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2)(C), or a not-for-profit electric utility which has received a loan or loan guarantee under the Rural Electrification Act.

''(2) CLEAN COAL ENERGY BOND LENDER.—The term 'clean coal energy bond lender' means a lender which is a cooperative which is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall include any affiliated entity which is controlled by such lender.

''(3) GOVERNMENTAL BODY.—The term 'governmental body' means any State, territory, possession of the United States, the District of Columbia, Indian tribal government, and any political subdivision thereof.

''(4) QUALIFIED ISSUER.—The term 'qualified issuer' means—

''(A) a clean coal energy bond lender,

''(B) a cooperative electric company, or

''(C) a governmental body.

''(5) QUALIFIED BORROWER.—The term 'qualified borrower' means—

''(A) a mutual or cooperative electric company described in section 501(c)(12) or 1381(a)(2)(C), or

''(B) a governmental body.

''(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to any loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

''(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(B) NO BASIS ADJUSTMENT.—Rules similar to the rules under section 1397E(l) shall apply.

''(4) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any clean coal energy bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(5) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a clean coal energy bond unless it is part of an issue which provides for an equal amount principal to be paid by the qualified issuer during each 12-month period that the issue is outstanding (other than the first 12-month period).

''(6) REPORTING.—Issuers of clean coal energy bonds shall submit reports similar to the reports required under section 149(e).

''(m) TERMINATION.—This section shall not apply with respect to any bond issued after December 31, 2012.''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(9) REPORTING OF CREDIT ON CLEAN COAL ENERGY BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54A(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54A(b)(4)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CONFORMING AMENDMENT.—Section 54(c)(2) is amended by inserting ''section 54A,'' after ''subpart C,''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart H of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 54A. Credit to holders of clean coal energy bonds.''.

(e) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury shall issues regulations required under section 54A of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2007.

SEC. 804. EXTENSION AND MODIFICATION OF ENERGY CREDIT.

(a) EXTENSION.—

(1) QUALIFIED FUEL CELL PROPERTY.—Subparagraph (E) of section 48(c)(1) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2016''.

(2) QUALIFIED MICROTURBINE PROPERTY.—Subparagraph (E) of section 48(c)(2) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2016''.

(3) SOLAR PROPERTY.—Paragraphs (2)(i)(II) and (3)(A)(ii) of section 48(a) are each amended by striking ''January 1, 2009'' and inserting ''January 1, 2017''.

(b) REPEAL OF PUBLIC UTILITY PROPERTY EXCLUSION.—

(1) IN GENERAL.—Paragraph (3) of section 48(a), as amended by subsection (a)(3), is amended by striking the first sentence which follows subparagraph (D).

(2) CONFORMING AMENDMENTS.—

(A) Section 48(c)(1), as amended by subsection (a)(1), is amended by striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).

(B) Section 48(c)(2), as amended by subsection (a)(2), is amended by striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).

(c) REPEAL OF DOLLAR PER KILOWATT LIMITATION FOR FUEL CELL PROPERTY.—

(1) IN GENERAL.—Section 48(c)(1), as amended by subsection (b)(2)(A), is amended by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(2) CONFORMING AMENDMENT.—Section 48(a)(1) is amended by striking ''paragraphs (1)(B) and (2)(B) of subsection (c)'' and inserting ''subsection (c)(2)(B)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by section shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(2) EXTENSIONS.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 805. ENERGY CREDIT FOR COMBINED HEAT AND POWER SYSTEM PROPERTY.

(a) IN GENERAL.—Section 48(a)(3)(A) (defining energy property) is amended by striking ''or'' at the end of clause (iii), by inserting ''or'' at the end of clause (iv), and by adding at the end the following new clause:

''(v) combined heat and power system property,''.

(b) COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48 (relating to energy credit; reforestation credit) is amended by adding at the end the following new subsection:

''(d) COMBINED HEAT AND POWER SYSTEM PROPERTY.—For purposes of subsection (a)(3)(A)(v)—

''(1) COMBINED HEAT AND POWER SYSTEM PROPERTY.—The term 'combined heat and power system property' means property comprising a system—

''(A) which uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy (including heating and cooling applications),

''(B) which has an electrical capacity of not more than 15 megawatts or a mechanical energy capacity of not more than 2,000 horsepower or an equivalent combination of electrical and mechanical energy capacities,

''(C) which produces—

''(i) at least 20 percent of its total useful energy in the form of thermal energy which is not used to produce electrical or mechanical power (or combination thereof), and

''(ii) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or combination thereof),

''(D) the energy efficiency percentage of which exceeds 60 percent, and

''(E) which is placed in service before January 1, 2017.

''(2) SPECIAL RULES.—

''(A) ENERGY EFFICIENCY PERCENTAGE.—For purposes of this subsection, the energy efficiency percentage of a system is the fraction—

''(i) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and expected to be consumed in its normal application, and

''(ii) the denominator of which is the lower heating value of the fuel sources for the system.

''(B) DETERMINATIONS MADE ON BTU BASIS.—The energy efficiency percentage and the percentages under paragraph (1)(C) shall be determined on a Btu basis.

''(C) INPUT AND OUTPUT PROPERTY NOT INCLUDED.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

''(3) SYSTEMS USING BIOMASS.—If a system is designed to use biomass (within the meaning of paragraphs (2) and (3) of section 45(c) without regard to the last sentence of paragraph (3)(A)) for at least 90 percent of the energy source—

''(A) paragraph (1)(D) shall not apply, but

''(B) the amount of credit determined under subsection (a) with respect to such system shall not exceed the amount which bears the same ratio to such amount of credit (determined without regard to this paragraph) as the energy efficiency percentage of such system bears to 60 percent.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 806. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN ELECTRIC TRANSMISSION PROPERTY.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following:

''(m) SPECIAL ALLOWANCE FOR CERTAIN ELECTRIC TRANSMISSION PROPERTY.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any specified electric transmission property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 50 percent of the adjusted basis of such property, and

''(B) the adjusted basis of such property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) SPECIFIED ELECTRIC TRANSMISSION PROPERTY.—The term 'specified electric transmission property' means property of a character subject to the allowance for depreciation—

''(A) which is used in the United States as a generator tie to solely transmit electricity from any qualified facility described in section 45(d) (without regard to any placed in service date or the last sentence of paragraph (4) thereof) to the grid,

''(B) the original use of which commences with the taxpayer after the date of the enactment of this subsection,

''(C) which is acquired by the taxpayer by purchase (as defined in section 179(d)) after the date of the enactment of this subsection, but only if no written binding contract for the acquisition was in effect on or before the date of the enactment of this subsection, and

''(D) which is placed in service by the taxpayer before January 1, 2014.

''(3) EXCEPTIONS.—

''(A) ALTERNATIVE DEPRECIATION PROPERTY.—Such term shall not include any property described in section 168(k)(2)(D)(i).

''(B) ELECTION OUT.—If a taxpayer makes an election under this subparagraph with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(4) SPECIAL RULES.—For purposes of this subsection, rules similar to the rules of subparagraph (E) of section 168(k)(2) shall apply, except that such subparagraph shall be applied—

''(A) by substituting 'the date of the enactment of subsection (l)' for 'September 10, 2001' each place it appears therein,

''(B) by substituting 'January 1, 2014' for 'January 1, 2005' in clause (i) thereof, and

''(C) by substituting 'specified electric transmission property' for 'qualified property' in clause (iv) thereof.

''(5) RECAPTURE.—For purposes of this subsection, rules similar to the rules under section 179(d)(10) shall apply with respect to any specified electric transmission property which ceases to be specified electric transmission property.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act in taxable years ending after such date.

SEC. 807. EXTENSION OF SPECIAL RULE TO IMPLEMENT FERC RESTRUCTURING POLICY.

(a) QUALIFYING ELECTRIC TRANSMISSION TRANSACTION.—

(1) IN GENERAL.—Section 451(i)(3) (defining qualifying electric transmission transaction) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2010''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to transactions after December 31, 2007.

(b) INDEPENDENT TRANSMISSION COMPANY.—

(1) IN GENERAL.—Section 451(i)(4)(B)(ii) (defining independent transmission company) is amended by striking ''December 31, 2007'' and inserting ''the date which is 2 years after the date of such transaction''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendments made by section 909 of the American Jobs Creation Act of 2004.

SEC. 808. EXTENSION AND MODIFICATION OF CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) EXTENSION.—Section 25D(g) (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2014''.

(b) MAXIMUM CREDIT FOR SOLAR ELECTRIC PROPERTY.—

(1) IN GENERAL.—Section 25D(b)(1)(A) (relating to maximum credit) is amended by striking ''$2,000'' and inserting ''$4,000''.

(2) CONFORMING AMENDMENT.—Section 25D(e)(4)(A)(i) is amended by striking ''$6,667'' and inserting ''$13,334''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after December 31, 2007.

SEC. 809. CREDIT FOR RESIDENTIAL WIND PROPERTY.

(a) IN GENERAL.—Section 25D(a) (relating to allowance of credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following new paragraph:

''(4) 30 percent of the qualified small wind energy property expenditures made by the taxpayer during such year.''.

(b) LIMITATION.—Section 25D(b)(1) (relating to maximum credit) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (A) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) $500 with respect to each half kilowatt of capacity (not to exceed $4,000) of wind turbines for which qualified small wind energy property expenditures are made.''.

(c) QUALIFIED SMALL WIND ENERGY PROPERTY EXPENDITURES.—

(1) IN GENERAL.—Section 25D(d) (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) QUALIFIED SMALL WIND ENERGY PROPERTY EXPENDITURE.—The term 'qualified small wind energy property expenditure' means an expenditure for property which uses a wind turbine to generate electricity for use in connection with a dwelling unit located in the United States and used as a residence by the taxpayer.''.

(2) NO DOUBLE BENEFIT.—Section 45(d)(1) (relating to wind facility) is amended by adding at the end the following new sentence: ''Such term shall not include any facility with respect to which any qualified small wind energy property expenditure (as defined in subsection (d)(4) of section 25D) is taken into account in determining the credit under such section.''.

(d) MAXIMUM EXPENDITURES IN CASE OF JOINT OCCUPANCY.—Section 25D(e)(4)(A) (relating to maximum expenditures) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) $1,667 in the case of each half kilowatt of capacity of wind turbines for which qualified small wind energy property expenditures are made.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures after December 31, 2007.

SEC. 810. EXPANSION AND MODIFICATION OF ADVANCED COAL PROJECT INVESTMENT CREDIT.

(a) CREDIT RATE PARITY AMONG PROJECTS.—Section 48A(a) (relating to qualifying advanced coal project credit) is amended by striking ''equal to'' and all that follows and inserting ''equal to30 percent of the qualified investment for such taxable year.''.

(b) EXPANSION OF AGGREGATE CREDITS.—Section 48A(d)(3)(A) (relating to aggregate credits) is amended by striking ''$1,300,000,000'' and inserting ''$3,800,000,000''.

(c) AUTHORIZATION OF ADDITIONAL PROJECTS.—

(1) IN GENERAL.—Subparagraph (B) of section 48A(d)(3) (relating to aggregate credits) is amended to read as follows:

''(B) PARTICULAR PROJECTS.—Of the dollar amount in subparagraph (A), the Secretary is authorized to certify—

''(i) $800,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(i),

''(ii) $500,000,000 for projects which use other advanced coal-based generation technologies the application for which is submitted during the period described in paragraph (2)(A)(i),

''(iii) $1,500,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(ii), and

''(iv) $1,000,000,000 for other advanced coal-based generation technology projects the application for which is submitted during the period described in paragraph (2)(A)(ii).''.

(2) APPLICATION PERIOD FOR ADDITIONAL PROJECTS.—Subparagraph (A) of section 48A(d)(2) (relating to certification) is amended to read as follows:

''(A) APPLICATION PERIOD.—Each applicant for certification under this paragraph shall submit an application meeting the requirements of subparagraph (B). An applicant may only submit an application—

''(i) for an allocation from the dollar amount specified in clause (i) or (ii) of paragraph (3)(A) during the 3-year period beginning on the date the Secretary establishes the program under paragraph (1), and

''(ii) for an allocation from the dollar amount specified in clause (iii) or (iv) of paragraph (3)(A) during the 3-year period beginning at the earlier of the termination of the period described in clause (i) or the date prescribed by the Secretary.''.

(3) CAPTURE AND SEQUESTRATION OF CARBON DIOXIDE EMISSIONS REQUIREMENT.—Section 48A(e)(1) (relating to requirements) is amended by striking ''and'' at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting '', and'', and by adding at the end the following new subparagraph:

''(G) in the case of any project the application for which is submitted during the period described in paragraph (2)(A)(ii), the project includes equipment to separate and sequester 65 percent of such project's total carbon dioxide emissions.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 811. EXPANSION AND MODIFICATION OF COAL GASIFICATION INVESTMENT CREDIT.

(a) CREDIT RATE.—Section 48B(a) (relating to qualifying gasification project credit) is amended by striking ''20 percent'' and inserting ''30 percent''.

(b) EXPANSION OF AGGREGATE CREDITS.—Section 48B(d)(1) (relating to qualifying gasification project program) is amended by striking ''$350,000,000'' and inserting ''$1,850,000,000 (of which $1,500,000,000 shall be allocated for qualifying gasification projects that include equipment to separate and sequester 75 percent of such a project's total carbon dioxide emissions)''.

(c) ELIGIBLE PROJECTS INCLUDE FISCHER-TROPSCH PROCESS.—Section 48B(c)(7) (defining eligible entity) is amended by striking ''and'' at the end of subparagraph (F), by striking the period at the end of subparagraph (G) and inserting '', and'', and by adding at the end the following new subparagraph:

''(H) transportation grade liquid fuels.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 812. SEVEN-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED ENERGY MANAGEMENT DEVICES.

(a) IN GENERAL.—Section 168(e)(3)(C) (defining 7-year property) is amended by striking ''and'' at the end of clause (iv), by redesignating clause (v) as clause (vi), and by inserting after clause (iv) the following new clause:

''(v) any qualified energy management device, and''.

(b) DEFINITION OF QUALIFIED ENERGY MANAGEMENT DEVICE.—Section 168(i) (relating to definitions and special rules) is amended by inserting at the end the following new paragraph:

''(18) QUALIFIED ENERGY MANAGEMENT DEVICE.—

''(A) IN GENERAL.—The term 'qualified energy management device' means any energy management device which is placed in service before January 1, 2011, by a taxpayer who is a supplier of electric energy or a provider of electric energy services.

''(B) ENERGY MANAGEMENT DEVICE.—For purposes of subparagraph (A), the term 'energy management device' means any two-way communications network and associated equipment, including equipment installed on the premises of a consumer, which is used by the taxpayer—

''(i) to measure and record electricity usage data on a time-differentiated basis of at least 60 minutes, and

''(ii) to provide such data on demand to both consumers and the taxpayer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 813. LANDOWNER INCENTIVE TO ENCOURAGE ELECTRIC TRANSMISSION BUILD-OUT.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by inserting after section 139A the following new section:

''SEC. 139B. ELECTRIC TRANSMISSION EASEMENT PAYMENTS.

''(a) IN GENERAL.—Gross income shall not include any qualified electric transmission easement payment.

''(b) QUALIFIED ELECTRIC TRANSMISSION EASEMENT PAYMENT.—For purposes of this section, the term 'qualified electric transmission payment' means any payment by an electric utility or electric transmission entity pursuant to an easement or other agreement granted by the payee (or any predecessor of such payee) for the right of such entity (or any successors of such entity) to locate on such payee's property transmission lines and equipment used to transmit electricity at 230 or more kilovolts primarily from qualified facilities described in section 45(d) (without regard to any placed in service date or the last sentence of paragraph (4) thereof) or energy property (as defined in section 48(a)(3)) placed in service after the date of the enactment of this section.

''(c) NO INCREASE IN BASIS.—Notwithstanding any other provision of this subtitle, no increase in the basis or adjusted basis of any property shall result from any amount excluded under this subsection with respect to such property.

''(d) DENIAL OF DOUBLE BENEFIT.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed (to the person for whose benefit a qualified electric transmission easement payment is made) for, or by reason of, any expenditure to the extent of the amount excluded under this section with respect to such expenditure.''.

(b) CLERICAL AMENDMENT.—The table of sections for such part III is amended by inserting after the item relating to section 139A the following new item:

''Sec. 139B. Electric transmission easement payments.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments received after the date of the enactment of this Act.

PART II—CARBON DIOXIDE SEQUESTRATION

SEC. 815. TAX CREDIT FOR CARBON DIOXIDE SEQUESTRATION.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business credits) is amended by adding at the end the following new section:

''SEC. 45O. CREDIT FOR CARBON DIOXIDE SEQUESTRATION.

''(a) GENERAL RULE.—For purposes of section 38, the carbon dioxide sequestration credit for any taxable year is an amount equal to the sum of—

''(1) $20 per metric ton of qualified carbon dioxide which is—

''(A) captured by the taxpayer at a qualified facility, and

''(B) disposed of by the taxpayer in secure geological storage, and

''(2) $10 per metric ton of qualified carbon dioxide which is—

''(A) captured by the taxpayer at a qualified facility, and

''(B) used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project.

''(b) QUALIFIED CARBON DIOXIDE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified carbon dioxide' means carbon dioxide captured from an industrial source which—

''(A) would otherwise be released into the atmosphere as industrial emission of greenhouse gas, and

''(B) is measured at the source of capture and verified at the point of disposal or injection.

''(2) RECYCLED CARBON DIOXIDE.—The term 'qualified carbon dioxide' includes the initial deposit of captured carbon dioxide used as a tertiary injectant. Such term does not include carbon dioxide that is re-captured, recycled, and re-injected as part of the enhanced oil and natural gas recovery process.

''(c) QUALIFIED FACILITY.—For purposes of this section, the term 'qualified facility' means any industrial facility—

''(1) which is owned by the taxpayer,

''(2) at which carbon capture equipment is placed in service, and

''(3) which captures not less than 500,000 metric tons of carbon dioxide during the taxable year.

''(d) SPECIAL RULES AND OTHER DEFINITIONS.—For purposes of this section—

''(1) ONLY CARBON DIOXIDE CAPTURED WITHIN THE UNITED STATES TAKEN INTO ACCOUNT.—The credit under this section shall apply only with respect to qualified carbon dioxide the capture of which is within—

''(A) the United States (within the meaning of section 638(1)), or

''(B) a possession of the United States (within the meaning of section 638(2)).

''(2) SECURE GEOLOGICAL STORAGE.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish regulations for determining adequate security measures for the geological storage of carbon dioxide under subsection (a)(1)(B) such that the carbon dioxide does not escape into the atmosphere. Such term shall include storage at deep saline formations and unminable coal seems under such conditions as the Secretary may determine under such regulations.

''(3) TERTIARY INJECTANT.—The term 'tertiary injectant' has the same meaning as when used within section 193(b)(1).

''(4) QUALIFIED ENHANCED OIL OR NATURAL GAS RECOVERY PROJECT.—The term 'qualified enhanced oil or natural gas recovery project' has the meaning given the term 'qualified enhanced oil recovery project' by section 43(c)(2), by substituting 'crude oil or natural gas' for 'crude oil' in subparagraph (A)(i) thereof.

''(5) CREDIT ATTRIBUTABLE TO TAXPAYER.—Any credit under this section shall be attributable to the person that captures and physically or contractually ensures the disposal of or the use as a tertiary injectant of the qualified carbon dioxide, except to the extent provided in regulations prescribed by the Secretary.

''(6) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any qualified carbon dioxide which ceases to be captured, disposed of, or used as a tertiary injectant in a manner consistent with the requirements of this section.

''(7) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, there shall be substituted for each dollar amount contained in subsection (a) an amount equal to the product of—

''(A) such dollar amount, multiplied by

''(B) the inflation adjustment factor for such calendar year determined under section 43(b)(3)(B) for such calendar year, determined by substituting '2007' for '1990'.

''(e) APPLICATION OF SECTION.—The credit under this section shall apply with respect to qualified carbon dioxide before the end of the calendar year in which the Secretary, in consultation with the Administrator of the Environmental Protection Agency, certifies that 75,000,000 metric tons of qualified carbon dioxide have been captured and disposed of or used as a tertiary injectant.''.

(b) CONFORMING AMENDMENT.—Section 38(b) (relating to general business credit) is amended by striking ''plus'' at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting '', plus'', and by adding at the end of following new paragraph:

''(32) the carbon dioxide sequestration credit determined under section 45O(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

''Sec. 45O. Credit for carbon dioxide sequestration.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply carbon dioxide captured after the date of the enactment of this Act.

SEC. 816. SEVEN-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED CARBON DIOXIDE PIPELINE PROPERTY.

(a) IN GENERAL.—Section 168(e)(3)(C) (defining 7-year property), as amended by this Act, is amended by striking ''and'' at the end of clause (v), by redesignating clause (vi) as clause (vii), and by inserting after clause (iv) the following new clause:

''(vi) any qualified carbon dioxide pipeline property—

''(I) the original use of which commences with the taxpayer after the date of the enactment of this clause,

''(II) the original purpose of which is to transport carbon dioxide, and

''(III) which is placed in service before January 1, 2014.''.

(b) DEFINITION OF QUALIFIED CARBON DIOXIDE PIPELINE PROPERTY.—Section 168(e) (relating to classification of property) is amended by inserting at the end the following new paragraph:

''(8) QUALIFIED CARBON DIOXIDE PIPELINE PROPERTY.—The term 'qualified carbon dioxide pipeline property' means property which is used in the United States solely to transmit qualified carbon dioxide (as defined in section 45O(b)) from the point of capture to the point of disposal (as described in section 45O(a)(1)(B)) or the point at which such qualified carbon dioxide is used as a tertiary injectant (as described in section 45O(a)(2)(B)).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 817. CERTAIN INCOME AND GAINS RELATING TO INDUSTRIAL SOURCE CARBON DIOXIDE TREATED AS QUALIFYING INCOME FOR PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Subparagraph (E) of section 7704(d)(1) (defining qualifying income) is amended by inserting ''or industrial source carbon dioxide'' after ''timber)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, in taxable years ending after such date.

PART III—DOMESTIC FUEL SECURITY

SEC. 821. CREDIT FOR PRODUCTION OF CELLULOSIC BIOMASS ALCOHOL.

(a) IN GENERAL.—Subsection (a) of section 40 (relating to alcohol used as fuel) is amended by striking ''plus'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', plus'', and by adding at the end the following new paragraph:

''(4) the small cellulosic alcohol producer credit.''.

(b) SMALL CELLULOSIC ALCOHOL PRODUCER CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 40 is amended by adding at the end the following new paragraph:

''(6) SMALL CELLULOSIC ALCOHOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In addition to any other credit allowed under this section, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable amount for each gallon of qualified cellulosic alcohol production.

''(B) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount means the excess of—

''(i) $1.11, over

''(ii) the sum of—

''(I) the amount of the credit allowable for alcohol which is ethanol under subsection (b)(1) (without regard to subsection (b)(3)) at the time of the qualified cellulosic alcohol production, plus

''(II) the amount of the credit allowable under subsection (b)(4) at the time of such production.

''(C) QUALIFIED CELLULOSIC ALCOHOL PRODUCTION.—For purposes of this section, the term 'qualified cellulosic alcohol production' means any cellulosic biomass alcohol which is produced by an eligible small cellulosic alcohol producer and which during the taxable year—

''(i) is sold by the taxpayer to another person—

''(I) for use by such other person in the production of a qualified alcohol mixture in such other person's trade or business (other than casual off-farm production),

''(II) for use by such other person as a fuel in a trade or business, or

''(III) who sells such cellulosic biomass alcohol at retail to another person and places such cellulosic biomass alcohol in the fuel tank of such other person, or

''(ii) is used or sold by the taxpayer for any purpose described in clause (i).

''(D) ADDITIONAL DISTILLATION EXCLUDED.—The qualified cellulosic alcohol production of any taxpayer for any taxable year shall not include any alcohol which is purchased by the taxpayer and with respect to which such producer increases the proof of the alcohol by additional distillation.

''(E) APPLICATION OF PARAGRAPH.—This paragraph shall apply with respect to qualified cellulosic alcohol production—

''(i) after December 31, 2007, and

''(ii) before the end of the later of—

''(I) December 31, 2012, or

''(II) the calendar year in which the Secretary, in consultation with the Administrator of the Environmental Protection Agency, certifies that 1,000,000,000 gallons of cellulosic biomass alcohol (as so defined) have been produced in or imported into the United States after such date.''.

(2) TERMINATION DATE NOT TO APPLY.—Subsection (e) of section 40 (relating to termination) is amended by adding at the end the following new paragraph:

''(3) EXCEPTION FOR SMALL CELLULOSIC ALCOHOL PRODUCER CREDIT.—Paragraph (1) shall not apply to the portion of the credit allowed under this section by reason of subsection (a)(4).''.

(c) ELIGIBLE SMALL CELLULOSIC ALCOHOL PRODUCER.—Section 40 is amended by adding at the end the following new subsection:

''(i) DEFINITIONS AND SPECIAL RULES FOR SMALL CELLULOSIC ALCOHOL PRODUCER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible small cellulosic alcohol producer' means a person, who at all times during the taxable year, has a productive capacity for cellulosic biomass alcohol not in excess of 60,000,000 gallons.

''(2) CELLULOSIC BIOMASS ALCOHOL.—

''(A) IN GENERAL.—The term 'cellulosic biomass alcohol' has the meaning given such term under section 168(l)(3), but does not include any alcohol with a proof of less than 150.

''(B) DETERMINATION OF PROOF.—The determination of the proof of any alcohol shall be made without regard to any added denaturants.

''(3) AGGREGATION RULE.—For purposes of the 60,000,000 gallon limitation under paragraph (1), all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

''(4) PARTNERSHIP, S CORPORATIONS, AND OTHER PASS-THRU ENTITIES.—In the case of a partnership, trust, S corporation, or other pass-thru entity, the limitation contained in paragraph (1) shall be applied at the entity level and at the partner or similar level.

''(5) ALLOCATION.—For purposes of this subsection, in the case of a facility in which more than 1 person has an interest, productive capacity shall be allocated among such persons in such manner as the Secretary may prescribe.

''(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to prevent the credit provided for in subsection (a)(4) from directly or indirectly benefitting any person with a direct or indirect productive capacity of more than 60,000,000 gallons of cellulosic biomass alcohol during the taxable year.

''(7) ALLOCATION OF SMALL CELLULOSIC PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—Rules similar to the rules under subsection (g)(6) shall apply for purposes of this subsection.''.

(d) ALCOHOL NOT USED AS A FUEL, ETC.—

(1) IN GENERAL.—Paragraph (3) of section 40(d) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

''(D) SMALL CELLULOSIC ALCOHOL PRODUCER CREDIT.—If—

''(i) any credit is allowed under subsection (a)(4), and

''(ii) any person does not use such fuel for a purpose described in subsection (b)(6)(C),

then there is hereby imposed on such person a tax equal to the applicable amount for each gallon of such cellulosic biomass alcohol.''.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (C) of section 40(d)(3) is amended by striking ''PRODUCER'' in the heading and inserting ''SMALL ETHANOL PRODUCER''.

(B) Subparagraph (E) of section 40(d)(3), as redesignated by paragraph (1), is amended by striking ''or (C)'' and inserting ''(C), or (D)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced after December 31, 2007.

SEC. 822. EXPANSION OF SPECIAL ALLOWANCE TO CELLULOSIC BIOMASS ALCOHOL FUEL PLANT PROPERTY.

(a) IN GENERAL.—Paragraph (3) of section 168(l) (relating to special allowance for cellulosic biomass ethanol plant property) is amended to read as follows:

''(3) CELLULOSIC BIOMASS ALCOHOL.—For purposes of this subsection, the term 'cellulosic biomass alcohol' means any alcohol produced from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (l) of section 168 is amended by striking ''cellulosic biomass ethanol'' each place it appears and inserting ''cellulosic biomass alcohol''.

(2) The heading of section 168(l) is amended by striking ''CELLULOSIC BIOMASS ETHANOL'' and inserting ''CELLULOSIC BIOMASS ALCOHOL''.

(3) The heading of paragraph (2) of section 168(l) is amended by striking ''CELLULOSIC BIOMASS ETHANOL'' and inserting ''CELLULOSIC BIOMASS ALCOHOL''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 823. EXTENSION OF SMALL ETHANOL PRODUCER CREDIT.

Paragraph (1) of section 40(e) (relating to termination) is amended—

(1) in subparagraph (A), by inserting ''(December 31, 2012, in the case of the credit allowed by reason of subsection (a)(3))'' after ''December 31, 2010'', and

(2) in subparagraph (B), by inserting ''(January 1, 2013, in the case of the credit allowed by reason of subsection (a)(3))'' after ''January 1, 2011''.

SEC. 824. CREDIT FOR PRODUCERS OF FOSSIL FREE ALCOHOL.

(a) IN GENERAL.—Subsection (a) of section 40 (relating to alcohol used as fuel), as amended by section 821, is amended by striking ''plus'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', plus'', and by adding at the end the following new paragraph:

''(5) the small fossil free alcohol producer credit.''.

(b) SMALL FOSSIL FREE ALCOHOL PRODUCER CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 40, as amended by section 821, is amended by adding at the end the following new paragraph:

''(7) SMALL FOSSIL FREE ALCOHOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In addition to any other credit allowed under this section, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 cents for each gallon of qualified fossil free alcohol production.

''(B) QUALIFIED FOSSIL FREE ALCOHOL PRODUCTION.—For purposes of this section, the term 'qualified fossil free alcohol production' means alcohol which is produced by an eligible small fossil free alcohol producer at a fossil free alcohol production facility and which during the taxable year—

''(i) is sold by the taxpayer to another person—

''(I) for use by such other person in the production of a qualified alcohol mixture in such other person's trade or business (other than casual off-farm production),

''(II) for use by such other person as a fuel in a trade or business, or

''(III) who sells such alcohol at retail to another person and places such alcohol in the fuel tank of such other person, or

''(ii) is used or sold by the taxpayer for any purpose described in clause (i).

''(C) ADDITIONAL DISTILLATION EXCLUDED.—The qualified fossil free alcohol production of any taxpayer for any taxable year shall not include any alcohol which is purchased by the taxpayer and with respect to which such producer increases the proof of the alcohol by additional distillation.''.

(c) ELIGIBLE SMALL FOSSIL FREE ALCOHOL PRODUCER.—Section 40, as amended by section 821, is amended by adding at the end the following new subsection:

''(j) DEFINITIONS AND SPECIAL RULES FOR SMALL FOSSIL FREE ALCOHOL PRODUCER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible small fossil free alcohol producer' means a person, who at all times during the taxable year, has a productive capacity for alcohol from all fossil free alcohol production facilities of the taxpayer which is not in excess of 60,000,000 gallons.

''(2) FOSSIL FREE ALCOHOL PRODUCTION FACILITY.—The term 'fossil free alcohol production facility' means any facility at which 90 percent of the fuel used in the production of alcohol is from biomass (as defined in section 45K(c)(3)).

''(3) AGGREGATION RULE.—For purposes of the 60,000,000 gallon limitation under paragraph (1), all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

''(4) PARTNERSHIP, S CORPORATIONS, AND OTHER PASS-THRU ENTITIES.—In the case of a partnership, trust, S corporation, or other pass-thru entity, the limitation contained in paragraph (1) shall be applied at the entity level and at the partner or similar level.

''(5) ALLOCATION.—For purposes of this subsection, in the case of a facility in which more than 1 person has an interest, productive capacity shall be allocated among such persons in such manner as the Secretary may prescribe.

''(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to prevent the credit provided for in subsection (a)(5) from directly or indirectly benefitting any person with a direct or indirect productive capacity of more than 60,000,000 gallons of alcohol from fossil free alcohol production facilities during the taxable year.

''(7) ALLOCATION OF SMALL FOSSIL FREE ALCOHOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—Rules similar to the rules under subsection (g)(6) shall apply for purposes of this subsection.''.

(d) ALCOHOL NOT USED AS A FUEL, ETC.—

(1) IN GENERAL.—Paragraph (3) of section 40(d), as amended by section 821, is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

''(E) SMALL FOSSIL FREE ALCOHOL PRODUCER CREDIT.—If—

''(i) any credit is allowed under subsection (a)(5), and

''(ii) any person does not use such fuel for a purpose described in subsection (b)(7)(B),

then there is hereby imposed on such person a tax equal to 25 cents for each gallon of such alcohol.''.

(2) CONFORMING AMENDMENT.—Subparagraph (E) of section 40(d)(3), as redesignated by paragraph (1) and amended by section 821, is amended by striking ''or (D)'' and inserting ''(C), or (E)''.

(e) TERMINATION.—Paragraph (1) of section 40(e), as amended by section 823, is amended—

(1) in subparagraph (A), by striking ''(December 31, 2012, in the case of the credit allowed by reason of subsection (a)(3))'' and inserting ''(December 31, 2012, in the case of the credits allowed by reason of paragraphs (3) and (5) of subsection (a))'', and

(2) in subparagraph (B), by striking ''(January 1, 2013, in the case of the credit allowed by reason of subsection (a)(3))'' and inserting ''(January 1, 2013, in the case of the credits allowed by reason of paragraphs (3) and (5) of subsection (a))''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced after December 31, 2007.

SEC. 825. MODIFICATION OF ALCOHOL CREDIT.

(a) INCOME TAX CREDIT.—Subsection (h) of section 40 (relating to reduced credit for ethanol blenders) is amended by adding at the end the following new paragraph:

''(3) REDUCED AMOUNT AFTER SALE OF 7,500,000,000 GALLONS.—

''(A) IN GENERAL.—In the case of any calendar year beginning after the date described in subparagraph (B), the last row in the table in paragraph (2) shall be applied by substituting '46 cents' for '51 cents'.

''(B) DATE DESCRIBED.—The date described in this subparagraph is the first date on which 7,500,000,000 gallons of ethanol (including cellulosic ethanol) have been produced in or imported into the United States after the date of the enactment of this paragraph, as certified by the Secretary, in consultation with the Administrator of the Environmental Protection Agency.''.

(b) EXCISE TAX CREDIT.—

(1) IN GENERAL.—Paragraph (2) of section 6426(b) (relating to alcohol fuel mixture credit) is amended by adding at the end the following new subparagraph:

''(C) REDUCED AMOUNT AFTER SALE OF 7,500,000,000 GALLONS.—In the case of any alcohol fuel mixture produced in a calendar year beginning after the date described in section 40(h)(3)(B), subparagraph (A) shall be applied by substituting '46 cents' for '51 cents'.''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 6426(b)(2) is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 826. EXTENSION AND MODIFICATION OF CREDIT FOR BIODIESEL USED AS FUEL .

(a) EXTENSION.—

(1) INCOME TAX CREDITS FOR BIODIESEL AND RENEWABLE DIESEL AND SMALL AGRI-BIODIESEL PRODUCER CREDIT.—Section 40A(g) (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2010 (December 31, 2012, in the case of the credit allowed by reason of subsection (a)(3))''.

(2) EXCISE TAX CREDIT.—Section 6426(c)(6) (relating to termination) is amended by striking ''2008'' and inserting ''2010''.

(3) FUELS NOT USED FOR TAXABLE PURPOSES.—Section 6427(e)(5)(B) (relating to termination) is amended by striking ''2008'' and inserting ''2010''.

(b) MODIFICATION OF CREDIT FOR RENEWABLE DIESEL.—

(1) IN GENERAL.—Section 40A(f) (relating to renewable diesel) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR CO-PROCESSED RENEWABLE DIESEL.—In the case of a taxpayer which produces renewable diesel through the co-processing of biomass and petroleum at any facility, this subsection shall not apply to so much of the renewable diesel produced at such facility and sold or used during the taxable year in a qualified biodiesel mixture as exceeds 60,000,000 gallons.''.

(c) MODIFICATION RELATING TO DEFINITION OF AGRI-BIODIESEL.—Paragraph (2) of section 40A(d) (relating to agri-biodiesel) is amended by striking ''and mustard seeds'' and inserting ''mustard seeds, and camelina''.

(d) EFFECTIVE DATES.—The amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.

SEC. 827. EXTENSION AND MODIFICATION OF ALTERNATIVE FUEL CREDIT.

(a) EXTENSION.—

(1) ALTERNATIVE FUEL CREDIT.—Paragraph (4) of section 6426(d) (relating to alternative fuel credit) is amended by striking ''September 30, 2009'' and inserting ''December 31, 2012''.

(2) ALTERNATIVE FUEL MIXTURE CREDIT.—Paragraph (3) of section 6426(e) (relating to alternative fuel mixture credit) is amended by striking ''September 30, 2009'' and inserting ''December 31, 2012''.

(3) PAYMENTS.—Subparagraph (C) of section 6427(e)(5) (relating to termination) is amended by striking ''September 30, 2009'' and inserting ''December 31, 2012''.

(b) MODIFICATIONS.—

(1) ALTERNATIVE FUEL TO INCLUDE COMPRESSED OR LIQUIFIED BIOMASS GAS.—Paragraph (2) of section 6426(d) (relating to alternative fuel credit) is amended by striking ''and'' at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

''(F) compressed or liquified biomass gas, and''.

(2) CREDIT ALLOWED FOR AVIATION USE OF FUEL.—Paragraph (1) of section 6426(d) is amended by inserting ''sold by the taxpayer for use as a fuel in aviation,'' after ''motorboat,''.

(c) CARBON CAPTURE REQUIREMENT FOR CERTAIN FUELS.—

(1) IN GENERAL.—Subsection (d) of section 6426, as amended by subsection (a), is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) CARBON CAPTURE REQUIREMENT.—The requirements of this paragraph are met if the fuel is certified, under such procedures as required by the Secretary, as having been produced at a facility which is primarily a liquid coal facility which separates and sequesters not less than 75 percent of such facility's total carbon dioxide emissions.''.

(2) CONFORMING AMENDMENT.—Subparagraph (E) of section 6426(d)(2) is amended by inserting ''which meets the requirements of paragraph (4) and which is'' after ''any liquid fuel''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.

(2) CARBON CAPTURE REQUIREMENTS.—The amendments made by subsection (c) shall apply to fuel sold or used after December 31, 2007.

SEC. 828. EXTENSION OF ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

Paragraph (2) of section 30C(g) (relating to termination) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2012''.

SEC. 829. EXTENSION OF SUSPENSION OF TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

Subparagraph (H) of section 613A(c)(6) (relating to oil and gas produced from marginal properties) is amended by striking ''January 1, 2008'' and inserting ''January 1, 2010''.

SEC. 830. EXTENSION AND MODIFICATION OF ELECTION TO EXPENSE CERTAIN REFINERIES.

(a) EXTENSION.—Paragraph (1) of section 179C(c) (relating to qualified refinery property) is amended—

(1) by striking ''January 1, 2012'' in subparagraph (B) and inserting ''January 1, 2014'', and

(2) by striking ''January 1, 2008'' each place it appears in subparagraph (F) and inserting ''January 1, 2010''.

(b) INCLUSION OF FUEL DERIVED FROM SHALE AND TAR SANDS.—

(1) IN GENERAL.—Subsection (d) of section 179C is amended by inserting '', or directly from shale or tar sands'' after ''(as defined in section 45K(c))''.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 179C(e) is amended by inserting ''shale, tar sands, or'' before ''qualified fuels''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 831. ETHANOL TARIFF EXTENSION.

Headings 9901.00.50 and 9901.00.52 of the Harmonized Tariff Schedule of the United States are each amended in the effective period column by striking ''1/1/2009'' and inserting ''1/1/2011''.

SEC. 832. ELIMINATION AND REDUCTIONS OF DUTY DRAWBACK ON CERTAIN IMPORTED ETHANOL.

(a) IN GENERAL.—Section 313(p)(3)(A)(i)(I) of the Tariff Act of 1930 (19 U.S.C. 1313(p)(3)(A)(i)(I)) is amended by striking ''or'' and inserting the following: ''other than an article that contains either—

''(aa) imported ethyl alcohol (provided for in subheading 2207.10.60 or 2207.20.00 of such Schedule), or

''(bb) any imported mixture (provided for in heading 2710 or 3824 of such Schedule) that contains ethyl alcohol, or''.

(b) LIMITATIONS ON, AND REDUCTIONS OF, DRAWBACKS.—Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended by adding at the end the following new subsection:

''(z) LIMITATIONS ON, AND REDUCTIONS OF, DRAWBACKS.—

''(1) LIMITATIONS.—

''(A) IN GENERAL.—Ethyl alcohol or mixture containing ethyl alcohol described in subparagraph (B) may be treated as being of the same kind and quality under subsection (b) of this section or may be treated as being commercially interchangeable with any other ethyl alcohol or mixture containing ethyl alcohol under subsection (j)(2) of this section, only if the other ethyl alcohol or mixture—

''(i) if imported, is subject to the additional duty under subheading 9901.00.50 of the Harmonized Tariff Schedule of the United States; or

''(ii) if domestic, is subject to Federal excise tax under section 4041 or 4081 of the Internal Revenue Code of 1986 in an amount equal to or greater than the amount of drawback claimed.

''(B) ETHYL ALCOHOL OR MIXTURE CONTAINING ETHYL ALCOHOL DESCRIBED.—Ethyl alcohol or mixture containing ethyl alcohol described in this subparagraph means—

''(i) ethyl alcohol classifiable under subheading 2207.10.60 or 2207.20.00 of the Harmonized Tariff Schedule of the United States, or

''(ii) a mixture containing ethyl alcohol classifiable under heading 2710 or 3824 of the Harmonized Tariff Schedule of the United States,

which, if imported would be subject to additional duty under subheading 9901.00.50 of such Schedule.

''(2) REDUCTION OF DRAWBACK.—For purposes of subsections (b), (j)(2), and (p) of this section, the amount of the refund as drawback under this section shall be reduced by an amount equal to any Federal tax credit or refund of any Federal tax paid on the merchandise with respect to which the drawback is claimed.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to articles exported on or after the date that is 15 days after the date of the enactment of this Act.

SEC. 833. CERTAIN INCOME AND GAINS RELATING TO ALCOHOL FUEL MIXTURES, BIODIESEL FUEL MIXTURES, AND ALTERNATIVE FUEL TREATED AS QUALIFYING INCOME FOR PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Subparagraph (E) of section 7704(d)(1) (defining qualifying income), as amended by this Act, is amended by inserting '', or the transportation or storage of any fuel described in subsection (b), (c), or (d) of section 6426'' after ''carbon dioxide)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, in taxable years ending after such date.

SEC. 834. TECHNICAL AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 11113 OF THE SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS.—

(1) Paragraph (3) of section 6427(i) is amended—

(A) by inserting ''or under subsection (e)(2) by any person with respect to an alternative fuel (as defined in section 6426(d)(2))'' after ''section 6426'' in subparagraph (A),

(B) by inserting ''or (e)(2)'' after ''subsection (e)(1)'' in subparagraphs (A)(i) and (B), and

(C) by inserting ''AND ALTERNATIVE FUEL CREDIT'' after ''MIXTURE CREDIT'' in the heading thereof.

(2)(A) Subparagraph (G) of section 6426(d)(2), as redesignated by section 827, is amended by striking ''hydrocarbons'' and inserting ''fuel''.

(B) Section 6426 is amended by adding at the end the following new subsection:

''(h) DENIAL OF DOUBLE BENEFIT.—No credit shall be determined under subsection (d) or (e) with respect to any fuel which is described in subsection (b) or (c) or section 40 or 40A.''.

(3) The amendments made by this subsection shall take effect as if included in section 11113 of the SAFETEA–LU.

(b) AMENDMENTS RELATED TO THE ENERGY POLICY ACT OF 2005.—

(1) AMENDMENT RELATED TO SECTION 1342 OF THE ACT.—

(A) So much of subsection (b) of section 30C as precedes paragraph (1) thereof is amended to read as follows:

''(b) LIMITATION.—The credit allowed under subsection (a) with respect to all alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year at a location shall not exceed—''.

(B) Subsection (c) of section 30C is amended to read as follows:

''(c) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.——For purposes of this section, the term 'qualified alternative fuel vehicle refueling property' has the same meaning as the term 'qualified clean-fuel vehicle refueling property' would have under section 179A if—

''(1) paragraph (1) of section 179A(d) did not apply to property installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer, and

''(2) only the following were treated as clean burning fuels for purposes of section 179A(d):

''(A) Any fuel at least 85 percent of the volume of which consists of one or more of the following: ethanol, natural gas, compressed natural gas, liquified natural gas, liquefied petroleum gas, or hydrogen.

''(B) Biodiesel (as defined in section 40A(d)(1)).

''(C) Any mixture—

''(i) which consists of two or more of the following: biodiesel (as so defined), diesel fuel (as defined in section 4083(a)(3)), or kerosene, and

''(ii) at least 20 percent of the volume of which consists of biodiesel (as so defined) determined without regard to any kerosene in such mixture.''.

(2) AMENDMENTS RELATED TO SECTION 1362 OF THE ACT.—

(A)(i) Paragraph (1) of section 4041(d) is amended by adding at the end the following new sentence: ''No tax shall be imposed under the preceding sentence on the sale or use of any liquid if tax was imposed with respect to such liquid under section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.''.

(ii) Paragraph (3) of section 4042(b) is amended to read as follows:

''(3) EXCEPTION FOR FUEL ON WHICH LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE SEPARATELY IMPOSED.—The Leaking Underground Storage Tank Trust Fund financing rate under paragraph (2)(B) shall not apply to the use of any fuel if tax was imposed with respect to such fuel under section 4041(d) or 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.''.

(iii) Notwithstanding section 6430 of the Internal Revenue Code of 1986, a refund, credit, or payment may be made under subchapter B of chapter 65 of such Code for taxes imposed with respect to any liquid after September 30, 2005, and before the date of the enactment of this Act under section 4041(d)(1) or 4042 of such Code at the Leaking Underground Storage Tank Trust Fund financing rate to the extent that tax was imposed with respect to such liquid under section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.

(B)(i) Paragraph (5) of section 4041(d) is amended—

(I) by striking ''(other than with respect to any sale for export under paragraph (3) thereof)'', and

(II) by adding at the end the following new sentence: ''The preceding sentence shall not apply with respect to subsection (g)(3) and so much of subsection (g)(1) as relates to vessels (within the meaning of section 4221(d)(3)) employed in foreign trade or trade between the United States and any of its possessions.''

(ii) Section 4082 is amended—

(I) by striking ''(other than such tax at the Leaking Underground Storage Tank Trust Fund financing rate imposed in all cases other than for export)'' in subsection (a), and

(II) by redesignating subsections (f) and (g) as subsections (g) and (h) and by inserting after subsection (e) the following new subsection:

''(f) EXCEPTION FOR LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—

''(1) IN GENERAL.—Subsection (a) shall not apply to the tax imposed under section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.

''(2) EXCEPTION FOR EXPORT, ETC.—Paragraph (1) shall not apply with respect to any fuel if the Secretary determines that such fuel is destined for export or for use by the purchaser as supplies for vessels (within the meaning of section 4221(d)(3)) employed in foreign trade or trade between the United States and any of its possessions.''.

(iii) Subsection (e) of section 4082 is amended—

(I) by striking ''an aircraft, the rate of tax under section 4081(a)(2)(A)(iii) shall be zero.'' and inserting ''an aircraft—

''(1) the rate of tax under section 4081(a)(2)(A)(iii) shall be zero, and

''(2) if such aircraft is employed in foreign trade or trade between the United States and any of its possessions, the increase in such rate under section 4081(a)(2)(B) shall be zero.''; and

(II) by moving the last sentence flush with the margin of such subsection (following the paragraph (2) added by clause (i)).

(iv) Section 6430 is amended to read as follows:

''SEC. 6430. TREATMENT OF TAX IMPOSED AT LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.

''No refunds, credits, or payments shall be made under this subchapter for any tax imposed at the Leaking Underground Storage Tank Trust Fund financing rate, except in the case of fuels—

''(1) which are exempt from tax under section 4081(a) by reason of section 4081(f)(2),

''(2) which are exempt from tax under section 4041(d) by reason of the last sentence of paragraph (5) thereof, or

''(3) with respect to which the rate increase under section 4081(a)(2)(B) is zero by reason of section 4082(e)(2).''.

(C) Paragraph (5) of section 4041(d) is amended by inserting ''(b)(1)(A)'' after ''subsections''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall take effect as if included in the provisions of the Energy Policy Act of 2005 to which they relate.

(B) NONAPPLICATION OF EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—The amendment made by paragraph (2)(C) shall apply to fuel sold for use or used after the date of the enactment of this Act.

(C) AMENDMENT MADE BY THE SAFETEA–LU.—The amendment made by paragraph (2)(B)(iii)(II) shall take effect as if included in section 11161 of the SAFETEA–LU.

(c) AMENDMENTS RELATED TO SECTION 339 OF THE AMERICAN JOBS CREATION ACT OF 2004.—

(1)(A) Section 45H is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(B) Subsection (d) of section 280C is amended to read as follows:

''(d) CREDIT FOR LOW SULFUR DIESEL FUEL PRODUCTION.—The deductions otherwise allowed under this chapter for the taxable year shall be reduced by the amount of the credit determined for the taxable year under section 45H(a).''.

(C) Subsection (a) of section 1016 is amended by striking paragraph (31) and by redesignating paragraphs (32) through (37) as paragraphs (31) through (36), respectively.

(2)(A) Section 45H, as amended by paragraph (1), is amended by adding at the end the following new subsection:

''(g) ELECTION TO NOT TAKE CREDIT.—No credit shall be determined under subsection (a) for the taxable year if the taxpayer elects not to have subsection (a) apply to such taxable year.''.

(B) Subsection (m) of section 6501 is amended by inserting ''45H(g),'' after ''45C(d)(4),''.

(3)(A) Subsections (b)(1)(A), (c)(2), (e)(1), and (e)(2) of section 45H (as amended by paragraph (1)) and section 179B(a) are each amended by striking ''qualified capital costs'' and inserting ''qualified costs''.

(B) The heading of paragraph (2) of section 45H(c) is amended by striking ''CAPITAL''.

(C) Subsection (a) of section 179B is amended by inserting ''and which are properly chargeable to capital account'' before the period at the end.

(4) The amendments made by this subsection shall take effect as if included in section 339 of the American Jobs Creation Act of 2004.

PART IV—ADVANCED TECHNOLOGY VEHICLES

SEC. 841. EXPANSION AND MODIFICATION OF CREDIT FOR ALTERNATIVE FUEL MOTOR VEHICLES.

(a) EXTENSION.—Section 30B(j) (relating to termination) is amended—

(1) by striking ''December 31, 2014'' in paragraph (1) and inserting ''December 31, 2016'',

(2) by striking ''December 31, 2010'' in paragraph (2) and inserting ''December 31, 2012'',

(3) by striking ''December 31, 2009'' in paragraph (3) and inserting ''December 31, 2012'', and

(4) by striking ''December 31, 2010'' in paragraph (4) and inserting ''December 31, 2012''.

(b) MODIFICATION RELATING TO NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE CREDIT.—The last sentence of section 30B(e)(2) is amended to read as follows: ''A new qualified alternative fuel motor vehicle which weighs more than 14,000 pounds gross vehicle weight rating shall be deemed to satisfy the preceding sentence if it is certified as exceeding the most stringent standard applicable to the model year in which such motor vehicle was produced.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 842. CREDIT FOR PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

(a) PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.—

(1) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

''SEC. 30D. PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable amount with respect to each new qualified plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is sum of—

''(A) $2,500, plus

''(B) $400 for each kilowatt hour of traction battery capacity of at least 5 kilowatt hours, plus

''(C) $400 for each kilowatt hour of traction battery capacity in excess of 5 kilowatt hours.

''(b) LIMITATIONS.—

''(1) LIMITATION BASED ON WEIGHT.—The amount of the credit allowed under subsection (a) by reason of subsection (a)(2)(A) shall not exceed—

''(A) $7,500, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of not more than 10,000 pounds,

''(B) $10,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 10,000 pounds but not more than 14,000 pounds,

''(C) $12,500, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

''(D) $15,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 26,000 pounds.

''(2) LIMITATION ON NUMBER OF PASSENGER VEHICLES AND LIGHT TRUCKS ELIGIBLE FOR CREDIT.—No credit shall be allowed under subsection (a) for any new qualified plug-in electric drive motor vehicle which is a passenger vehicle or light truck in any calendar year following the calendar year which includes the first date on which the total number of such new qualified plug-in electric drive motor vehicles sold for use in the United States after December 31, 2007, is at least 250,000.

''(c) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—For purposes of this section, the term 'new qualified plug-in electric drive motor vehicle' means a motor vehicle—

''(1) which draws propulsion using a traction battery with at least 4 kilowatt hours of capacity,

''(2) which uses an offboard source of energy to recharge such battery,

''(3) which, in the case of a passenger vehicle or light truck which has a gross vehicle weight rating of not more than 8,500 pounds, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

''(A) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less,

the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

''(B) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

''(4) the original use of which commences with the taxpayer,

''(5) which is acquired for use or lease by the taxpayer and not for resale, and

''(6) which is made by a manufacturer.

''(d) APPLICATION WITH OTHER CREDITS.—

''(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

''(2) PERSONAL CREDIT.—The credit allowed under subsection (a) (after the application of paragraph (1)) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax liability (as defined in section 26(b)) reduced by the sum of the credits allowable under subpart A and sections 27, 30, 30B, and 30C, over

''(B) the tentative minimum tax for the taxable year.

''(e) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given such term by section 30(c)(2).

''(2) OTHER TERMS.—The terms 'passenger automobile', 'light truck', and 'manufacturer' have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

''(3) TRACTION BATTERY CAPACITY.—Traction battery capacity shall be measured in kilowatt hours from a 100 percent state of charge to a zero percent state of charge.

''(4) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

''(5) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for a new qualified plug-in electric drive motor vehicle shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

''(6) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (b)(2)).

''(7) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

''(8) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

''(9) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects not to have this section apply to such vehicle.

''(10) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

''(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

''(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

''(f) REGULATIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

''(2) COORDINATION IN PRESCRIPTION OF CERTAIN REGULATIONS.—The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

''(g) TERMINATION.—This section shall not apply to property purchased after December 31, 2014.''.

(2) COORDINATION WITH OTHER MOTOR VEHICLE CREDITS.—

(A) NEW QUALIFIED FUEL CELL MOTOR VEHICLES.—Paragraph (3) of section 30B(b) is amended by adding at the end the following new flush sentence:

''Such term shall not include any motor vehicle which is a new qualified plug-in electric drive motor vehicle (as defined by section 30D(c)).''.

(B) NEW QUALIFIED HYBRID MOTOR VEHICLES.—Paragraph (3) of section 30B(d) is amended by adding at the end the following new flush sentence:

''Such term shall not include any motor vehicle which is a new qualified plug-in electric drive motor vehicle (as defined by section 30D(c)).''.

(3) CONFORMING AMENDMENTS.—

(A) Section 38(b), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (31), by striking the period at the end of paragraph (32) and inserting ''plus'', and by adding at the end the following new paragraph:

''(33) the portion of the new qualified plug-in electric drive motor vehicle credit to which section 30D(d)(1) applies.''.

(B) Section 55(c)(3) is amended by inserting ''30D(d)(2),'' after ''30C(d)(2),''.

(C) Section 1016(a), as amended by this Act, is amended by striking ''and'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', and'', and by adding at the end the following new paragraph:

''(37) to the extent provided in section 30D(e)(4).''.

(D) Section 6501(m) is amended by inserting ''30D(e)(9)'' after ''30C(e)(5)''.

(E) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 30D. Plug-in electric drive motor vehicle credit.''.

(b) CONVERSION KITS.—

(1) IN GENERAL.—Section 30B (relating to alternative motor vehicle credit) is amended by redesignating subsections (i) and (j) as subsections (j) and (k), respectively, and by inserting after subsection (h) the following new subsection:

''(i) PLUG-IN CONVERSION CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a), the plug-in conversion credit determined under this subsection with respect to any motor vehicle which is converted to a qualified plug-in electric drive motor vehicle is an amount equal to 10 percent of the cost of the plug-in traction battery module installed in such vehicle as part of such conversion.

''(2) LIMITATIONS.—The amount of the credit allowed under this subsection shall not exceed $2,500 with respect to the conversion of any motor vehicle.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The term 'qualified plug-in electric drive motor vehicle' means any new qualified plug-in electric drive motor vehicle (as defined in section 30D(c), determined without regard to paragraphs (4) and (6) thereof).

''(B) PLUG-IN TRACTION BATTERY MODULE.—The term 'plug-in traction battery module' means an electro-chemical energy storage device which—

''(i) has a traction battery capacity of not less than 2.5 kilowatt hours,

''(ii) is equipped with an electrical plug by means of which it can be energized and recharged when plugged into an external source of electric power,

''(iii) consists of a standardized configuration and is mass produced,

''(iv) has been tested and approved by the National Highway Transportation Safety Administration as compliant with applicable motor vehicle and motor vehicle equipment safety standards when installed by a mechanic with standardized training in protocols established by the battery manufacturer as part of a nationwide distribution program, and

''(v) is certified by a battery manufacturer as meeting the requirements of clauses (i) through (iv).

''(C) CREDIT ALLOWED TO LESSOR OF BATTERY MODULE.—In the case of a plug-in traction battery module which is leased to the taxpayer, the credit allowed under this subsection shall be allowed to the lessor of the plug-in traction battery module.

''(D) CREDIT ALLOWED IN ADDITION TO OTHER CREDITS.—The credit allowed under this subsection shall be allowed with respect to a motor vehicle notwithstanding whether a credit has been allowed with respect to such motor vehicle under this section (other than this subsection) in any preceding taxable year.

''(4) TERMINATION.—This subsection shall not apply to conversions made after December 31, 2009.''.

(2) CREDIT TREATED AS PART OF ALTERNATIVE MOTOR VEHICLE CREDIT.—Section 30B(a) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by adding at the end the following new paragraph:

''(5) the plug-in conversion credit determined under subsection (i).''.

(3) NO RECAPTURE FOR VEHICLES CONVERTED TO QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.—Paragraph (8) of section 30B(h) is amended by adding at the end the following: '', except that no benefit shall be recaptured if such property ceases to be eligible for such

credit by reason of conversion to a qualified plug-in electric drive motor vehicle.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007, in taxable years beginning after such date.

SEC. 843. EXCLUSION FROM HEAVY TRUCK TAX FOR IDLING REDUCTION UNITS AND ADVANCED INSULATION ADDED AFTER PURCHASE.

(a) IN GENERAL.—Section 4053 (relating to exemptions) is amended by adding at the end the following new paragraphs:

''(7) IDLING REDUCTION DEVICE.—Any device or system of devices which—

''(A) is designed to provide to a vehicle those services (such as heat, air conditioning, or electricity) that would otherwise require the operation of the main drive engine while the vehicle is temporarily parked or remains stationary using either—

''(i) an all electric unit, such as a battery powered unit or from grid-supplied electricity, or

''(ii) a dual fuel unit powered by diesel or other fuels, and capable of providing such services from grid-supplied electricity or on-truck batteries alone, and

''(B) is certified by the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Transportation, to reduce long-duration idling of such vehicle at a motor vehicle rest stop or other location where such vehicles are temporarily parked or remain stationary.

For purposes of subparagraph (B), the term 'long-duration idling' means the operation of a main drive engine, for a period greater than 15 consecutive minutes, where the main drive engine is not engaged in gear. Such term does not apply to routine stoppages associated with traffic movement or congestion.

''(8) ADVANCED INSULATION.—Any insulation that has an R value of not less than R35 per inch.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales or installations after December 31, 2007.

PART V—CONSERVATION AND ENERGY EFFICIENCY

SEC. 851. EXTENSION AND MODIFICATION OF NONBUSINESS ENERGY PROPERTY CREDIT.

(a) EXTENSION OF CREDIT.—Section 25C(g) (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2009''.

(b) NATURAL GAS FIRED HEAT PUMPS.—Section 25C(d)(3) (relating to energy-efficient building property) is amended—

(1) by striking ''and'' at the end of subparagraph (D),

(2) by striking the period at the end of subparagraph (E) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(F) a natural gas fired heat pump with a heating coefficient of performance (COP) of at least 1.1.''.

(c) MODIFICATIONS OF STANDARDS FOR ENERGY-EFFICIENT BUILDING PROPERTY.—

(1) INCREASED LIMITATION FOR OIL FURNACES AND NATURAL GAS, PROPANE, AND OIL HOT WATER BOILERS.—

(A) IN GENERAL.—Subparagraphs (B) and (C) of section 25C(b)(3) are amended to read as follows:

''(B) $150 for any qualified natural gas furnace or qualified propane furnace, and

''(C) $300 for—

''(i) any item of energy-efficient building property, and

''(ii) any qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler.''.

(B) CONFORMING AMENDMENT.—Clause (ii) of section 25C(d)(2)(A) is amended to read as follows:

''(ii) any qualified natural gas furnace, qualified propane furnace, qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler, or''.

(2) ELECTRIC HEAT PUMPS.—Subparagraph (B) of section 25C(d)(3) is amended to read as follows:

''(B) an electric heat pump which achieves the highest efficiency tier established by the Consortium for Energy Efficiency, as in effect on January 1, 2008.''.

(3) WATER HEATERS.—Subparagraph (E) of section 25C(d)(3) is amended to read as follows:

''(E) a natural gas, propane, or oil water heater which has either an energy factor of at least 0.80 or a thermal efficiency of at least 90 percent.''.

(4) OIL FURNACES AND HOT WATER BOILERS.—Paragraph (4) of section 25C(d) is amended to read as follows:

''(4) QUALIFIED NATURAL GAS, PROPANE, AND OIL FURNACES AND HOT WATER BOILERS.—

''(A) QUALIFIED NATURAL GAS FURNACE.—The term 'qualified natural gas furnace' means any natural gas furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

''(B) QUALIFIED NATURAL GAS HOT WATER BOILER.—The term 'qualified natural gas hot water boiler' means any natural gas hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

''(C) QUALIFIED PROPANE FURNACE.—The term 'qualified propane furnace' means any propane furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

''(D) QUALIFIED PROPANE HOT WATER BOILER.—The term 'qualified propane hot water boiler' means any propane hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

''(E) QUALIFIED OIL FURNACES.—The term 'qualified oil furnace' means any oil furnace which achieves an annual fuel utilization efficiency rate of not less than 90.

''(F) QUALIFIED OIL HOT WATER BOILER.—The term 'qualified oil hot water boiler' means any oil hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.''.

(d) EFFECTIVE DATE.—The amendments made this section shall apply to expenditures made after December 31, 2007.

SEC. 852. EXTENSION AND MODIFICATION OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) EXTENSION OF CREDIT.—Subsection (g) of section 45L (relating to termination), as amended by section 205 of division A of the Tax Relief and Health Care Act of 2006, is amended by striking ''December 31, 2008'' and inserting ''December 31, 2011''.

(b) MODIFICATION.—

(1) IN GENERAL.—Subparagraph (B) of section 45L(a)(1) is amended to read as follows:

''(B)(i) acquired by a person from such eligible contractor and used by any person as a residence during the taxable year, or

''(ii) used by such eligible contractor as a residence during the taxable year.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to homes purchased after December 31, 2008.

SEC. 853. EXTENSION AND MODIFICATION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) EXTENSION.—Section 179D(h) (relating to termination) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2013''.

(b) ADJUSTMENT OF MAXIMUM DEDUCTION AMOUNT.—

(1) IN GENERAL.—Subparagraph (A) of section 179D(b)(1) (relating to maximum amount of deduction) is amended by striking ''$1.80'' and inserting ''$2.25''.

(2) PARTIAL ALLOWANCE.—Paragraph (1) of section 179D(d) is amended—

(A) by striking ''$.60'' and inserting ''$0.75'', and

(B) by striking ''$1.80'' and inserting ''$2.25''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 854. MODIFICATIONS OF ENERGY EFFICIENT APPLIANCE CREDIT FOR APPLIANCES PRODUCED AFTER 2007.

(a) IN GENERAL.—Section 45M of the Internal Revenue Code of 1986 is amended to read as follows:

''SEC. 45M. ENERGY EFFICIENT APPLIANCE CREDIT.

''(a) GENERAL RULE.—

''(1) IN GENERAL.—For purposes of section 38, the energy efficient appliance credit determined under this section for any taxable year is an amount equal to the sum of the credit amounts determined under paragraph (2) for each type of qualified energy efficient appliance produced by the taxpayer during the calendar year ending with or within the taxable year.

''(2) CREDIT AMOUNTS.—The credit amount determined for any type of qualified energy efficient appliance is—

''(A) the applicable amount determined under subsection (b) with respect to such type, multiplied by

''(B) the eligible production for such type.

''(b) APPLICABLE AMOUNT.—For purposes of subsection (a)—

''(1) DISHWASHERS.—The applicable amount is $75 in the case of a residential model dishwasher which—

''(A) is manufactured in calendar year 2008, 2009, or 2010, and

''(B) uses not more than 307 kilowatt hours per year and 5.0 gallons per cycle (5.5 gallons for dishwashers designed for greater than 12 place settings).

''(2) CLOTHES WASHERS.—The applicable amount is—

''(A) $125 in the case of a residential model top-loading clothes washer which—

''(i) is manufactured in calendar year 2008 or 2009, and

''(ii) meets or exceeds a 1.8 MEF and does not exceed a 7.5 water consumption factor,

''(B) $150 in the case of a residential or commercial model clothes washer which—

''(i) is manufactured in calendar year 2008, 2009, or 2010, and

''(ii) meets or exceeds a 2.0 MEF and does not exceed a 6.0 water consumption factor, and

''(C) $250 in the case of a residential or commercial model clothes washer which—

''(i) is manufactured in calendar year 2008, 2009, or 2010, and

''(ii) meets or exceeds a 2.2 MEF and does not exceed a 4.5 water consumption factor.

''(3) REFRIGERATORS.—The applicable amount is—

''(A) $75 in the case of a residential model refrigerator which—

''(i) is manufactured in calendar year 2008 or 2009, and

''(ii) consumes at least 23 percent, but not more than 24.9 percent, fewer kilowatt hours per year than the 2001 energy conservation standards,

''(B) $100 in the case of a residential model refrigerator which—

''(i) is manufactured in calendar year 2008, 2009, or 2010, and

''(ii) consumes at least 25 percent, but not more than 29.9 percent, fewer kilowatt hours

per year than the 2001 energy conservation standards, and

''(C) $200 in the case of a residential model refrigerator which—

''(i) is manufactured in calendar year 2008, 2009, or 2010, and

''(ii) consumes at least 30 percent fewer kilowatt hours per year than the 2001 energy conservation standards.

''(c) ELIGIBLE PRODUCTION.—The eligible production in a calendar year with respect to each type of qualified energy efficient appliance is the excess of—

''(1) the number of appliances of such type which are produced in the United States by the taxpayer during such calendar year, over

''(2) the average number of appliances of such type which were produced in the United States by the taxpayer (or any predecessor) during the preceding 2-calendar year period.

''(d) TYPES OF QUALIFIED ENERGY EFFICIENT APPLIANCES.—For purposes of this section, the types of qualified energy efficient appliances are—

''(1) dishwashers described in subsection (b)(1),

''(2) clothes washers described in subsection (b)(2), and

''(3) refrigerators described in subsection (b)(3).

''(e) LIMITATIONS.—

''(1) AGGREGATE CREDIT AMOUNT ALLOWED.—Except as provided in paragraph (2), the aggregate amount of credit allowed under subsection (a) with respect to a taxpayer for any taxable year shall not exceed $75,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years beginning after December 31, 2007.

''(2) LIMITATION BASED ON GROSS RECEIPTS.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed an amount equal to 2 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the credit is determined beginning after December 31, 2007.

''(3) GROSS RECEIPTS.—For purposes of this subsection, the rules of paragraphs (2) and (3) of section 448(c) shall apply.

''(f) DEFINITIONS.—For purposes of this section:

''(1) DISHWASHER.—The term 'dishwasher' means a dishwasher subject to the energy conservation standards established by the Department of Energy.

''(2) CLOTHES WASHER.—The term 'clothes washer' includes a clothes washer subject to the energy conservation standards established by the Department of Energy.

''(3) TOP-LOADING CLOTHES WASHER.—The term 'top-loading clothes washer' means a clothes washer with the clothes container compartment access located on the top of the machine.

''(4) REFRIGERATOR.—The term 'refrigerator' means an automatic defrost refrigerator-freezer which has an internal volume of at least 16.5 cubic feet.

''(5) GALLONS PER CYCLE.—The term 'gallons per cycle' means the amount of water, expressed in gallons, required to complete a normal cycle of a dishwasher.

''(6) MEF.—The term 'MEF' means the modified energy factor established by the Department of Energy for compliance with the Federal energy conservation standard.

''(7) WATER CONSUMPTION FACTOR.—The term 'water consumption factor' means the quotient of the total weighted per-cycle water consumption divided by the cubic foot capacity of the clothes washer.

''(8) 2001 ENERGY CONSERVATION STANDARD.—The term '2001 energy conservation standard' means the energy conservation standards promulgated by the Department of Energy and effective July 1, 2001.

''(g) SPECIAL RULES.—For purposes of this section:

''(1) IN GENERAL.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply.

''(2) CONTROLLED GROUP.—

''(A) IN GENERAL.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single producer.

''(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this section, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

''(3) VERIFICATION.—No amount shall be allowed as a credit under subsection (a) with respect to which the taxpayer has not submitted such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to appliances produced after December 31, 2007.

PART VI—ACCOUNTABILITY STUDIES

SEC. 861. COST-BENEFIT ANALYSIS OF POLLUTION REDUCTION AND SAVING IN IMPORTED OIL PER DOLLAR OF TAX BENEFIT.

(a) COST-BENEFIT ANALYSIS.—The Secretary of the Treasury shall undertake a cost-benefit analysis of those provisions of this Act that use tax incentives to reduce the use of imported oil and to reduce the emissions of carbon dioxide and harmful air pollutants.

(b) REPORT.—Not later than December 31 of the 2nd calendar year after the date of the enactment of this Act, the Secretary of the Treasury shall prepare and submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the cost-benefit analysis conducted pursuant to subsection (a).

SEC. 862. EFFECT OF ENERGY RELATED TAX BENEFITS ON PRICES FOR CONSUMER GOODS.

(a) STUDY.—The Secretary of the Treasury shall undertake a study of the estimated effects on the price of consumer goods that may result from the enactment of the amendments to the Internal Revenue Code of 1986 made by this Act, including the effect on the price of foodstuffs, soaps, automobiles, motor fuels, and any other product for which the amendments made by this Act may be expected to significantly alter the supply and demand conditions of a consumer goods market.

(b) REPORT.—Not later than December 31 of the 2nd calendar year after the date of the enactment of this Act, the Secretary of the Treasury shall prepare and submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the study conducted pursuant to subsection (a).

SEC. 863. STUDY ON TAX-CREDIT BONDS.

(a) STUDY.—The Secretary of the Treasury shall undertake a study of the use of tax-credit bonds as a means of subsidizing the borrowing costs of the beneficiaries of such financing. In addition to providing a general examination of the effectiveness of the tax-credit bonds described in paragraph (2) and of the Federal subsidy provided by tax-credit bonds relative to the subsidy provided by tax-exempt bonds, the study shall—

(1) examine the extent to which projects eligible for tax-credit bonds also receive other Federal tax benefits under present law,

(2) examine any market or administrative issues associated with present-law tax-credit bonds under sections 54 and 1397E of the Internal Revenue Code of 1986 and sections 54A and 54B of such Code, as added by this Act, including—

(A) the effect of the Department of the Treasury setting the credit rate,

(B) the Department's selection of projects eligible for financing,

(C) the potential for arbitrage earnings and the extent to which this may affect the level of subsidy,

(D) the lack of uniform rules for tax-credit bonds, and

(E) the direct issuance of tax-credit bonds by private parties, and

(3) discuss the changes to present-law that would be necessary to provide a tax-credit bond that delivers a subsidy comparable to that provided by tax-exempt bonds and reduces the market and administrative issues associated with present-law tax-credit bonds.

(b) REPORT.—Not later than December 31 of the 2nd calendar year after the date of the enactment of this Act, the Secretary of the Treasury shall prepare and submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the results of the study conducted pursuant to subsection (a).

PART VII—OTHER PROVISIONS

Subpart A—Timber Provisions

SEC. 871. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 is amended by adding at the end the following new section:

''SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

''(a) IN GENERAL.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income in an amount equal to 60 percent of the lesser of—

''(1) the taxpayer's qualified timber gain for such year, or

''(2) the taxpayer's net capital gain for such year.

''(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term 'qualified timber gain' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(1) the sum of the taxpayer's gains described in subsections (a) and (b) of section 631 for such year, over

''(2) the sum of the taxpayer's losses described in such subsections for such year.

''(c) SPECIAL RULES FOR PASS-THRU ENTITIES.—

''(1) In the case of any qualified timber gain of a pass-thru entity (as defined in section 1(h)(10)) other than a real estate investment trust, the election under this section shall be made separately by each taxpayer subject to tax on such gain.

''(2) In the case of any qualified timber gain of a real estate investment trust, the election under this section shall be made by the real estate investment trust.

''(d) TERMINATION.—

''(1) IN GENERAL.—This section shall not apply to any taxable year beginning after the date that is 1 year after the date of the enactment of this section.

''(2) TAXABLE YEARS WHICH INCLUDE DATE OF TERMINATION.—In the case of any taxable year which includes the date of the termination described in paragraph (1), for purposes of this section, the taxpayer's qualified timber gain shall not exceed the excess that would be described in subsection (b) if only dispositions of timber before such date were taken into account.''.

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATES.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Paragraph (2) of section 1(h) is amended to read as follows:

''(2) REDUCTION OF NET CAPITAL GAIN.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii), and

''(B) in the case of a taxable year with respect to which an election is in effect under section 1203, the lesser of—

''(i) the amount described in paragraph (1) of section 1203(a), or

''(ii) the amount described in paragraph (2) of such section.''.

(2) CORPORATIONS.—Section 1201 is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

''(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO ACCOUNT.—For purposes of this section, in the case of a corporation with respect to which an election is in effect under section 1203, the net capital gain for any taxable year shall be reduced (but not below zero) by the corporation's qualified timber gain (as defined in section 1203(b)).''.

(c) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting before the last sentence the following new paragraph:

''(22) QUALIFIED TIMBER GAINS.—The deduction allowed by section 1203.''.

(d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED CURRENT EARNINGS.—Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR QUALIFIED TIMBER GAIN.—Clause (i) shall not apply to any deduction allowed under section 1203.''.

(e) DEDUCTION ALLOWED IN COMPUTING TAXABLE INCOME OF ELECTING SMALL BUSINESS TRUSTS.—Subparagraph (C) of section 641(c)(2) is amended by inserting after clause (iii) the following new clause:

''(iv) The deduction allowed under section 1203.''.

(f) TREATMENT OF QUALIFIED TIMBER GAIN OF REAL ESTATE INVESTMENT TRUSTS.—Paragraph (3) of section 857(b) is amended by inserting after subparagraph (F) the following new subparagraph:

''(G) TREATMENT OF QUALIFIED TIMBER GAIN.—For purposes of this part, in the case of a real estate investment trust with respect to which an election is in effect under section 1203—

''(i) REDUCTION OF NET CAPITAL GAIN.—The net capital gain of the real estate investment trust for any taxable year shall be reduced (but not below zero) by the real estate investment trust's qualified timber gain (as defined in section 1203(b)).

''(ii) ADJUSTMENT TO SHAREHOLDER'S BASIS ATTRIBUTABLE TO DEDUCTION FOR QUALIFIED TIMBER GAINS.—

''(I) IN GENERAL.—The adjusted basis of shares in the hands of the shareholder shall be increased by the amount of the deduction allowable under section 1203(a) as provided in subclauses (II) and (III).

''(II) ALLOCATION OF BASIS INCREASE FOR DISTRIBUTIONS MADE DURING TAXABLE YEAR.—For any taxable year of a real estate investment trust for which an election is in effect under section 1203, in the case of a distribution made with respect to shares during such taxable year of amounts attributable to the deduction allowable under section 1203(a), the adjusted basis of such shares shall be increased by the amount of such distributions.

''(III) ALLOCATION OF EXCESS.—If the deduction allowable under section 1203(a) for a taxable year exceeds the amount of distributions described in subclause (II), the excess shall be allocated to every shareholder of the real estate investment trust at the close of the trust's taxable year in the same manner as if a distribution of such excess were made with respect to such shares.

''(IV) DESIGNATIONS.—To the extent provided in regulations, a real estate investment trust shall designate the amounts described in subclauses (II) and (III) in a manner similar to the designations provided with respect to capital gains described in subparagraphs (C) and (D).

''(V) DEFINITIONS.—As used in this subparagraph, the terms 'share' and 'shareholder' shall include beneficial interests and holders of beneficial interests, respectively.

''(iii) EARNINGS AND PROFITS DEDUCTION FOR QUALIFIED TIMBER GAINS.—The deduction allowable under section 1203(a) for a taxable year shall be allowed as a deduction in computing the earnings and profits of the real estate investment trust for such taxable year. The earnings and profits of any such shareholder which is a corporation shall be appropriately adjusted in accordance with regulations prescribed by the Secretary.''.

(g) LOSS ATTRIBUTABLE TO BASIS ADJUSTMENT FOR DEDUCTION FOR QUALIFIED TIMBER GAIN OF REAL ESTATE INVESTMENT TRUSTS.—

(1) Section 857(b)(8) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) LOSS ATTRIBUTABLE TO BASIS ADJUSTMENT FOR DEDUCTION FOR QUALIFIED TIMBER GAIN.—If—

''(i) a shareholder of a real estate investment trust receives a basis adjustment provided under subsection (b)(3)(G)(ii), and

''(ii) the taxpayer has held such share or interest for 6 months or less,

then any loss on the sale or exchange of such share or interest shall, to the extent of the amount described in clause (i), be disallowed.''.

(2) Subparagraph (D) of section 857(b)(8), as redesignated by paragraph (1), is amended by striking ''subparagraph (A)'' and inserting ''subparagraphs (A) and (B)''.

(h) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the exclusion under section 1202, and the deduction under section 1203, shall not be allowed.''.

(2) Paragraph (4) of section 642(c) is amended by striking the first sentence and inserting ''To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a) or qualified timber gain (as defined in section 1203(b)), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202 and for any deduction allowable to the estate or trust under section 1203.''

(3) Paragraph (3) of section 643(a) is amended by striking the last sentence and inserting ''The exclusion under section 1202 and the deduction under section 1203 shall not be taken into account.''.

(4) Subparagraph (C) of section 643(a)(6) is amended to read as follows:

''(C) Paragraph (3) shall not apply to a foreign trust. In the case of such a trust—

''(i) there shall be included gains from the sale or exchange of capital assets, reduced by losses from such sales or exchanges to the extent such losses do not exceed gains from such sales or exchanges, and

''(ii) the deduction under section 1203 shall not be taken into account.''.

(5) Paragraph (4) of section 691(c) is amended by inserting ''1203,'' after ''1202,''.

(6) Paragraph (2) of section 871(a) is amended by inserting ''or 1203,'' after ''1202,''.

(7) The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1203. Deduction for qualified timber gain.''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such Code, as added by this section, if only dispositions of timber after such date were taken into account.

SEC. 872. EXCISE TAX NOT APPLICABLE TO SECTION 1203 DEDUCTION OF REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subparagraph (B) of section 4981(b)(1) is amended to read as follows:

''(B) 95 percent of the real estate investment trust's capital gain net income, without regard to any reduction that would be applied for purposes of section 857(b)(3)(G)(i).''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such Code, as added by this Act, if only dispositions of timber after such date were taken into account.

SEC. 873. TIMBER REIT MODERNIZATION.

(a) IN GENERAL.—Section 856(c)(5) is amended by adding after subparagraph (G) the following new subparagraph:

''(H) TREATMENT OF TIMBER GAINS.—

''(i) IN GENERAL.—Gain from the sale of real property described in paragraph (2)(D) and (3)(C) shall include gain which is—

''(I) recognized by an election under section 631(a) from timber owned by the real estate investment trust, the cutting of which is provided by a taxable REIT subsidiary of the real estate investment trust;

''(II) recognized under section 631(b); or

''(III) income which would constitute gain under subclause (I) or (II) but for the failure to meet the 1-year holding period requirement.

''(ii) SPECIAL RULES.—

''(I) For purposes of this subtitle, cut timber, the gain of which is recognized by a real estate investment trust pursuant to an election under section 631(a) described in clause (i)(I) or so much of clause (i)(III) as relates to clause (i)(I), shall be deemed to be sold to the taxable REIT subsidiary of the real estate investment trust on the first day of the taxable year.

''(II) For purposes of this subtitle, income described in this subparagraph shall not be treated as gain from the sale of property described in section 1221(a)(1).

''(iii) TERMINATION.—

''(I) IN GENERAL.—This subparagraph shall not apply to dispositions on or after the termination date.

''(II) TERMINATION DATE.—For purposes of this subsection, the termination date is the date that is 1 year after the date of the enactment of this subparagraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after the date of the enactment of this Act.

SEC. 874. MINERAL ROYALTY INCOME QUALIFYING INCOME FOR TIMBER REITS.

(a) IN GENERAL.—Section 856(c)(2) is amended by striking ''and'' at the end of subparagraph (G), by inserting ''and'' at the end of subparagraph (H), and by adding after subparagraph (H) the following new subparagraph:

''(I) mineral royalty income earned before the termination date, from real property owned by a timber real estate investment trust held, or once held, in connection with the trade or business of producing timber by such real estate investment trust;''.

(b) TIMBER REAL ESTATE INVESTMENT TRUST.—Section 856(c)(5), as amended by this Act, is amended by adding after subparagraph (H) the following new subparagraph:

''(I) TIMBER REAL ESTATE INVESTMENT TRUST.—The term 'timber real estate investment trust' means a real estate investment trust in which more than 50 percent in value of its total assets consists of real property held in connection with the trade or business of producing timber.''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to income earned after the date of the enactment of this Act.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 875. MODIFICATION OF TAXABLE REIT SUBSIDIARY ASSET TEST FOR TIMBER REITS.

(a) IN GENERAL.—Section 856(c)(4)(B)(ii) is amended by inserting ''(in the case of a quarter which closes before the termination date, 25 percent in the case of a timber real estate investment trust)'' after ''not more than 20 percent of the value of its total assets is represented by securities of one or more taxable REIT subsidiaries''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to quarters closing after the date of the enactment of this Act.

SEC. 876. SAFE HARBOR FOR TIMBER PROPERTY.

(a) IN GENERAL.—Section 857(b)(6) (relating to income from prohibited transactions) is amended by adding at the end the following new subparagraph:

''(G) SPECIAL RULES FOR SALES TO QUALIFIED ORGANIZATIONS.—

''(i) IN GENERAL.—In the case of sale of a real estate asset (as defined in section 856(c)(5)(B)) to a qualified organization (as defined in section 170(h)(3)) exclusively for conservation purposes (within the meaning of section 170(h)(1)(C)), subparagraph (D) shall be applied—

''(I) by substituting '2 years' for '4 years' in clause (i), and

''(II) by substituting '2-year period' for '4-year period' in clauses (ii) and (iii).

''(ii) TERMINATION.—This subparagraph shall not apply to sales on or after the termination date.''.

(b) PROHIBITED TRANSACTIONS.—Section 857(b)(6)(D)(v) is amended by inserting ''or, in the case of a sale before the termination date, a taxable REIT subsidiary'' after ''independent contractor (as defined in section 856(d)(3)) from whom the trust itself does not derive or receive any income''.

(c) SALES THAT ARE NOT PROHIBITED TRANSACTIONS.—Section 857(b)(6), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

''(H) SALES OF PROPERTY THAT ARE NOT A PROHIBITED TRANSACTION.—In the case of a sale before the termination date, the sale of property which is not a prohibited transaction through application of subparagraph (D) shall be considered property held for investment or for use in a trade or business and not property described in section 1221(a)(1) for all purposes of this subtitle.''.

(d) TERMINATION DATE.—Section 857(b)(6), as amended by subsections (a) and (c), is amended by adding at the end the following new subparagraph:

''(I) TERMINATION DATE.—For purposes of this paragraph, the termination date is the date that is 1 year after the date of the enactment of this subparagraph.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after the date of the enactment of this Act.

Subpart B—Miscellaneous

SEC. 877. SPECIAL RULES FOR REFUND OF THE COAL EXCISE TAX TO CERTAIN COAL PRODUCERS AND EXPORTERS.

(a) REFUND.—

(1) COAL PRODUCERS.—

(A) IN GENERAL.—Notwithstanding subsections (a)(1) and (c) of section 6416 and section 6511 of the Internal Revenue Code of 1986, if—

(i) a coal producer establishes that such coal producer, or a party related to such coal producer, exported coal produced by such coal producer to a foreign country or shipped coal produced by such coal producer to a possession of the United States, the export or shipment of which was other than through an exporter who has filed a claim for a refund under paragraph (2),

(ii) such coal producer filed a return on or after October 1, 1990, and on or before the date of the enactment of this Act, and

(iii) such coal producer files a claim for refund not later than the close of the 30-day period beginning on the date of the enactment of this Act,

then the Secretary of the Treasury shall pay to such coal producer an amount equal to the tax paid under section 4121 of such Code on such coal exported by the coal producer or a party related to such coal producer.

(B) SPECIAL RULES FOR CERTAIN TAXPAYERS.—For purposes of this section—

(i) ESTABLISHMENT OF EXPORT.—If a coal producer or a party related to a coal producer has received a judgment described in clause (iii), such coal producer shall be deemed to have established the export of coal to a foreign country or shipment of coal to a possession of the United States under subparagraph (A)(i).

(ii) AMOUNT OF PAYMENT.—If a taxpayer described in clause (i) is entitled to a payment under subparagraph (A), the amount of such payment shall be reduced by any amount awarded under the judgment described in clause (iii).

(iii) JUDGMENT DESCRIBED.—A judgment is described in this subparagraph if such judgment—

(I) is made by a court of competent jurisdiction within the United States,

(II) relates to the constitutionality of any tax paid on exported coal under section 4121 of the Internal Revenue Code of 1986, and

(III) is in favor of the coal producer or the party related to the coal producer.

(iv) RECAPTURE.—In the case any judgment described in clause (iii) is overturned, the coal producer shall pay to the Secretary the amount of any payment received under subparagraph (A) unless the coal producer establishes the export of the coal to a foreign country or shipment of coal to a possession of the United States.

(2) EXPORTERS.—Notwithstanding subsections (a)(1) and (c) of section 6416 and section 6511 of the Internal Revenue Code of 1986, and a judgment described in paragraph (1)(B)(iii) of this subsection, if—

(A) an exporter establishes that such exporter exported coal to a foreign country or shipped coal to a possession of the United States, or caused such coal to be so exported or shipped,

(B) such exporter filed a return on or after October 1, 1990, and on or before the date of the enactment of this Act, and

(C) such exporter files a claim for refund not later than the close of the 30-day period beginning on the date of the enactment of this Act,

then the Secretary of the Treasury shall pay to such exporter an amount equal to $0.825 per ton of such coal exported by the exporter or caused to be exported by the exporter.

(b) LIMITATIONS.—Subsection (a) shall not apply with respect to exported coal if a credit or refund of tax imposed by section 4121 of such Code on such coal has been allowed or made to, or if a settlement with the Federal Government has been made with and accepted by, the coal producer, a party related to such coal producer, or the exporter, of such coal, as of the date that the claim is filed under this section with respect to such exported coal. For purposes of this subsection, the term ''settlement with the Federal Government'' shall not include any settlement or stipulation entered into as of the date of the enactment of this Act, the terms of which contemplate a judgment concerning which any party has reserved the right to file an appeal, or has filed an appeal.

(c) SUBSEQUENT REFUND PROHIBITED.—No refund shall be made under this section to the extent that a credit or refund of such tax on such exported coal has been paid to any person.

(d) DEFINITIONS.—For purposes of this section—

(1) COAL PRODUCER.—The term ''coal producer'' means the person in whom is vested ownership of the coal immediately after the coal is severed from the ground, without regard to the existence of any contractual arrangement for the sale or other disposition of the coal or the payment of any royalties between the producer and third parties. The term includes any person who extracts coal from coal waste refuse piles or from the silt waste product which results from the wet washing (or similar processing) of coal.

(2) EXPORTER.—The term ''exporter'' means a person, other than a coal producer, who does not have a contract, fee arrangement, or any other agreement with a producer or seller of such coal to sell or export such coal to a third party on behalf of the producer or seller of such coal and—

(A) is indicated in the shipper's export declaration or other documentation as the exporter of record, or

(B) actually exported such coal to a foreign country or shipped such coal to a possession of the United States, or caused such coal to be so exported or shipped.

(3) RELATED PARTY.—The term ''a party related to such coal producer'' means a person who—

(A) is related to such coal producer through any degree of common management, stock ownership, or voting control,

(B) is related (within the meaning of section 144(a)(3) of such Code) to such coal producer, or

(C) has a contract, fee arrangement, or any other agreement with such coal producer to sell such coal to a third party on behalf of such coal producer.

(e) TIMING OF REFUND.—With respect to any claim for refund filed pursuant to this section, the Secretary of the Treasury shall determine whether the requirements of this section are met not later than 180 days after such claim is filed. If the Secretary determines that the requirements of this section are met, the claim for refund shall be paid not later than 180 days after the Secretary makes such determination.

(f) INTEREST.—Any refund paid pursuant to this section shall be paid by the Secretary of

the Treasury with interest from the date of overpayment determined by using the overpayment rate and method under section 6621 of such Code.

(g) DENIAL OF DOUBLE BENEFIT.—The payment under subsection (a) with respect to any coal shall not exceed—

(1) in the case of a payment to a coal producer, the amount of tax paid under section 4121 of the Internal Revenue Code of 1986 with respect to such coal by such coal producer or a party related to such coal producer, and

(2) in the case of a payment to an exporter, an amount equal to $0.825 per ton with respect to such coal exported by the exporter or caused to be exported by the exporter.

(h) APPLICATION OF SECTION.—This section applies only to claims on coal exported on or after October 1, 1990, through the date of the enactment of this Act.

(i) STANDING NOT CONFERRED.—

(1) EXPORTERS.—With respect to exporters, this section shall not confer standing upon an exporter to commence, or intervene in, any judicial or administrative proceeding concerning a claim for refund by a coal producer of any Federal or State tax, fee, or royalty paid by the coal producer.

(2) COAL PRODUCERS.—With respect to coal producers, this section shall not confer standing upon a coal producer to commence, or intervene in, any judicial or administrative proceeding concerning a claim for refund by an exporter of any Federal or State tax, fee, or royalty paid by the producer and alleged to have been passed on to an exporter.

SEC. 878. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 (relating to credits against tax), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 54B. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a rural renaissance bond on 1 or more credit allowance dates of the bond occurring during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a rural renaissance bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any rural renaissance bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than subpart C, section 1400N(l), and this section).

''(d) RURAL RENAISSANCE BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'rural renaissance bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national rural renaissance bond limitation under subsection (f)(2),

''(B) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred by qualified borrowers for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form,

''(D) the issue meets the requirements of subsection (h), and

''(E) such bond is not a federally guaranteed bond (within the meaning of section 149(b)(2)).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means 1 or more projects described in subparagraph (B) located in a rural area.

''(B) PROJECTS DESCRIBED.—A project described in this subparagraph is a project eligible for assistance under—

''(i) the utilities programs described in section 381E(d)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(d)(2)),

''(ii) the distance learning or telemedicine programs authorized pursuant to chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.),

''(iii) the rural electric programs authorized pursuant to the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.),

''(iv) the rural telephone programs authorized pursuant to the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.),

''(v) the broadband access programs authorized pursuant to title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.), and

''(vi) the rural community facility programs as described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(d)(1)).

''(C) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by a qualified borrower after the date of the enactment of this section.

''(D) REIMBURSEMENT.—For purposes of paragraph (1)(B), a rural renaissance bond may be issued to reimburse a qualified borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the qualified borrower declared its intent to reimburse such expenditure with the proceeds of a rural renaissance bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(E) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified borrower or qualified issuer takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a rural renaissance bond.

''(F) TREATMENT OF OTHER SUBSIDIES.—For purposes of subparagraph (B), a qualified project does not include any portion of a project financed by grants or subsidized financing provided (directly or indirectly) under a Federal program, including any State or local obligation used to provide financing for such portion the interest on which is exempt from tax under section 103.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a rural renaissance bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of paragraph (3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a rural renaissance bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is outstanding.

''(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a national rural renaissance bond limitation of $400,000,000.

''(2) ALLOCATION BY SECRETARY.—

''(A) IN GENERAL.—In accordance with subparagraph (B), the Secretary shall allocate the amount described in paragraph (1) among at least 20 qualified projects, or such lesser number of qualified projects with proper applications filed after 12 months after the adoption of the selection process under subparagraph (B).

''(B) SELECTION PROCESS.—In consultation with the Secretary of Agriculture, the Secretary shall adopt a process to select projects described in subparagraph (A). Under such process, the Secretary shall not allocate more than 15 percent of the allocation under subparagraph (A) to qualified projects within a single State.

''(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the rural renaissance bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the rural renaissance bond or, in the case of a rural renaissance bond the proceeds of which are to be loaned to 2 or more qualified borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a qualified borrower, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a rural renaissance bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) DEFINITIONS AND SPECIAL RULES RELATING TO ISSUERS AND BORROWERS.—For purposes of this section—

''(1) QUALIFIED ISSUER.—The term 'qualified issuer' means—

''(A) a rural renaissance bond lender,

''(B) a cooperative electric company, or

''(C) a governmental body.

''(2) QUALIFIED BORROWER.—The term 'qualified borrower' means—

''(A) a mutual or cooperative electric company described in section 501(c)(12) or 1381(a)(2)(C), or

''(B) a governmental body.

''(3) RURAL RENAISSANCE BOND LENDER.—The term 'rural renaissance bond lender' means a lender which is a cooperative which is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall include any affiliated entity which is controlled by such lender.

''(4) COOPERATIVE ELECTRIC COMPANY.—The term 'cooperative electric company' means a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2)(C), or a not-for-profit electric utility which has received a loan or loan guarantee under the Rural Electrification Act.

''(5) GOVERNMENTAL BODY.—The term 'governmental body' means any State, territory, possession of the United States, the District of Columbia, Indian tribal government, and any political subdivision thereof.

''(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) RURAL AREA.—The term 'rural area' shall have the meaning given such term by section 1393(a)(2).

''(4) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

''(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(B) NO BASIS ADJUSTMENT.—In the case of a bond held by a partnership or an S corporation, rules similar to the rules under section 1397E(i) shall apply.

''(5) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any rural renaissance bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(6) REPORTING.—Issuers of rural renaissance bonds shall submit reports similar to the reports required under section 149(e).

''(7) TERMINATION.—This section shall not apply with respect to any bond issued after December 31, 2008.''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by this Act, is amended by adding at the end the following new paragraph:

''(10) REPORTING OF CREDIT ON RURAL RENAISSANCE BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54B(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54B(b)(4)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart H of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

''Sec. 54B. Credit to holders of rural renaissance bonds.''.

(2) Section 54(c)(2), as amended by this Act, is amended by inserting ''section 54B,'' after ''section 54A,''.

(3) Section 54A(c)(2), as added by this Act, is amended by inserting ''section 54B,'' after ''subpart C,''.

(d) ISSUANCE OF REGULATIONS.—The Secretary of Treasury shall issue regulations required under section 54B of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

Subtitle B—Revenue Raising Provisions

SEC. 881. DENIAL OF DEDUCTION FOR MAJOR INTEGRATED OIL COMPANIES FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, NATURAL GAS, OR PRIMARY PRODUCTS THEREOF.

(a) IN GENERAL.—Subparagraph (B) of section 199(c)(4) of the Internal Revenue Code of 1986 (relating to exceptions) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by inserting after clause (iii) the following new clause:

''(iv) in the case of any major integrated oil company (as defined in section 167(h)(5)(B)), the production, refining, processing, transportation, or distribution of oil, natural gas, or any primary product thereof during any taxable year described in section 167(h)(5)(B).''.

(b) PRIMARY PRODUCT.—Section 199(c)(4)(B) of such Code is amended by adding at the end the following flush sentence:

''For purposes of clause (iv), the term 'primary product' has the same meaning as when used in section 927(a)(2)(C), as in effect before its repeal.''.

(c) CONFORMING AMENDMENTS.—Section 199(c)(4) of such Code is amended—

(1) in subparagraph (A)(i)(III) by striking ''electricity, natural gas,'' and inserting ''electricity'', and

(2) in subparagraph (B)(ii) by striking ''electricity, natural gas,'' and inserting ''electricity''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 882. ELIMINATION OF THE DIFFERENT TREATMENT OF FOREIGN OIL AND GAS EXTRACTION INCOME AND FOREIGN OIL RELATED INCOME FOR PURPOSES OF THE FOREIGN TAX CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 907 (relating to special rules in case of foreign oil and gas income) are amended to read as follows:

''(a) REDUCTION IN AMOUNT ALLOWED AS FOREIGN TAX UNDER SECTION 901.—In applying section 901, the amount of any foreign oil and gas taxes paid or accrued (or deemed to have been paid) during the taxable year which would (but for this subsection) be taken into account for purposes of section 901 shall be reduced by the amount (if any) by which the amount of such taxes exceeds the product of—

''(1) the amount of the combined foreign oil and gas income for the taxable year,

''(2) multiplied by—

''(A) in the case of a corporation, the percentage which is equal to the highest rate of tax specified under section 11(b), or

''(B) in the case of an individual, a fraction the numerator of which is the tax against which the credit under section 901(a) is taken and the denominator of which is the taxpayer's entire taxable income.

''(b) COMBINED FOREIGN OIL AND GAS INCOME; FOREIGN OIL AND GAS TAXES.—For purposes of this section—

''(1) COMBINED FOREIGN OIL AND GAS INCOME.—The term 'combined foreign oil and gas income' means, with respect to any taxable year, the sum of—

''(A) foreign oil and gas extraction income, and

''(B) foreign oil related income.

''(2) FOREIGN OIL AND GAS TAXES.—The term 'foreign oil and gas taxes' means, with respect to any taxable year, the sum of—

''(A) oil and gas extraction taxes, and

''(B) any income, war profits, and excess profits taxes paid or accrued (or deemed to have been paid or accrued under section 902 or 960) during the taxable year with respect to foreign oil related income (determined without regard to subsection (c)(4)) or loss which would be taken into account for purposes of section 901 without regard to this section.''.

(b) RECAPTURE OF FOREIGN OIL AND GAS LOSSES.—Paragraph (4) of section 907(c) (relating to recapture of foreign oil and gas extraction losses by recharacterizing later extraction income) is amended to read as follows:

''(4) RECAPTURE OF FOREIGN OIL AND GAS LOSSES BY RECHARACTERIZING LATER COMBINED FOREIGN OIL AND GAS INCOME.—

''(A) IN GENERAL.—The combined foreign oil and gas income of a taxpayer for a taxable year (determined without regard to this paragraph) shall be reduced—

''(i) first by the amount determined under subparagraph (B), and

''(ii) then by the amount determined under subparagraph (C).

The aggregate amount of such reductions shall be treated as income (from sources without the United States) which is not combined foreign oil and gas income.

''(B) REDUCTION FOR PRE-2008 FOREIGN OIL EXTRACTION LOSSES.—The reduction under this paragraph shall be equal to the lesser of—

''(i) the foreign oil and gas extraction income of the taxpayer for the taxable year (determined without regard to this paragraph), or

''(ii) the excess of—

''(I) the aggregate amount of foreign oil extraction losses for preceding taxable years beginning after December 31, 1982, and before January 1, 2008, over

''(II) so much of such aggregate amount as was recharacterized under this paragraph (as in effect before and after the date of the enactment of the Energy Advancement and Investment Act of 2007) for preceding taxable years beginning after December 31, 1982.

''(C) REDUCTION FOR POST-2007 FOREIGN OIL AND GAS LOSSES.—The reduction under this paragraph shall be equal to the lesser of—

''(i) the combined foreign oil and gas income of the taxpayer for the taxable year (determined without regard to this paragraph), reduced by an amount equal to the reduction under subparagraph (A) for the taxable year, or

''(ii) the excess of—

''(I) the aggregate amount of foreign oil and gas losses for preceding taxable years beginning after December 31, 2007, over

''(II) so much of such aggregate amount as was recharacterized under this paragraph for preceding taxable years beginning after December 31, 2007.

''(D) FOREIGN OIL AND GAS LOSS DEFINED.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'foreign oil and gas loss' means the amount by which—

''(I) the gross income for the taxable year from sources without the United States and its possessions (whether or not the taxpayer chooses the benefits of this subpart for such taxable year) taken into account in determining the combined foreign oil and gas income for such year, is exceeded by

''(II) the sum of the deductions properly apportioned or allocated thereto.

''(ii) NET OPERATING LOSS DEDUCTION NOT TAKEN INTO ACCOUNT.—For purposes of clause (i), the net operating loss deduction allowable for the taxable year under section 172(a) shall not be taken into account.

''(iii) EXPROPRIATION AND CASUALTY LOSSES NOT TAKEN INTO ACCOUNT.—For purposes of clause (i), there shall not be taken into account—

''(I) any foreign expropriation loss (as defined in section 172(h) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)) for the taxable year, or

''(II) any loss for the taxable year which arises from fire, storm, shipwreck, or other casualty, or from theft,

to the extent such loss is not compensated for by insurance or otherwise.

''(iv) FOREIGN OIL EXTRACTION LOSS.—For purposes of subparagraph (B)(ii)(I), foreign oil extraction losses shall be determined under this paragraph as in effect on the day before the date of the enactment of the Energy Advancement and Investment Act of 2007.''.

(c) CARRYBACK AND CARRYOVER OF DISALLOWED CREDITS.—Section 907(f) (relating to carryback and carryover of disallowed credits) is amended—

(1) by striking ''oil and gas extraction taxes'' each place it appears and inserting ''foreign oil and gas taxes'', and

(2) by adding at the end the following new paragraph:

''(4) TRANSITION RULES FOR PRE-2008 AND 2008 DISALLOWED CREDITS.—

''(A) PRE-2008 CREDITS.—In the case of any unused credit year beginning before January 1, 2008, this subsection shall be applied to any unused oil and gas extraction taxes carried from such unused credit year to a year beginning after December 31, 2007—

''(i) by substituting 'oil and gas extraction taxes' for 'foreign oil and gas taxes' each place it appears in paragraphs (1), (2), and (3), and

''(ii) by computing, for purposes of paragraph (2)(A), the limitation under subparagraph (A) for the year to which such taxes are carried by substituting 'foreign oil and gas extraction income' for 'foreign oil and gas income' in subsection (a).

''(B) 2008 CREDITS.—In the case of any unused credit year beginning in 2008, the amendments made to this subsection by the Energy Advancement and Investment Act of 2007 shall be treated as being in effect for any preceding year beginning before January 1, 2008, solely for purposes of determining how much of the unused foreign oil and gas taxes for such unused credit year may be deemed paid or accrued in such preceding year.''.

(d) CONFORMING AMENDMENT.—Section 6501(i) is amended by striking ''oil and gas extraction taxes'' and inserting ''foreign oil and gas taxes''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 883. INCREASE AND EXTENSION OF OIL SPILL LIABILITY TRUST FUND TAX.

(a) INCREASE IN RATE.—

(1) IN GENERAL.—Section 4611(c)(2)(B) (relating to rates) is amended by striking ''5 cents'' and inserting ''10 cents''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply on and after the first day of the first calendar quarter beginning more than 60 days after the date of the enactment of this Act.

(b) EXTENSION.—

(1) IN GENERAL.—Section 4611(f) (relating to application of Oil Spill Liability Trust Fund financing rate) is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:

''(2) TERMINATION.—The Oil Spill Liability Trust Fund financing rate shall not apply after December 31, 2017.''.

(2) CONFORMING AMENDMENT.—Section 4611(f)(1) is amended by striking ''paragraphs (2) and (3)'' and inserting ''paragraph (2)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

SEC. 884. LIMITATION ON DRAWBACK CLAIMED FOR AMOUNTS DEPOSITED INTO THE OIL SPILL LIABILITY TRUST FUND.

Section 313(j) of the Tariff Act of 1930 (19 U.S. C. 1313(j)) is amended by adding at the end the following new paragraph:

''(5) LIMITATION ON CERTAIN DRAWBACKS.—Any tax or fee imposed under section 4611 of the Internal Revenue Code of 1986 for deposit in the Oil Spill Liability Trust Fund pursuant to section 9509 of such Code shall not be eligible for refund as drawback under this section.''.

SEC. 885. TAX ON CRUDE OIL AND NATURAL GAS PRODUCED FROM THE OUTER CONTINENTAL SHELF IN THE GULF OF MEXICO.

(a) IN GENERAL.—Subtitle E (relating to alcohol, tobacco, and certain other excise taxes) is amended by adding at the end the following new chapter:

''CHAPTER 56—TAX ON SEVERANCE OF CRUDE OIL AND NATURAL GAS FROM THE OUTER CONTINENTAL SHELF IN THE GULF OF MEXICO

''SEC. 5896. IMPOSITION OF TAX.

''(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby imposed a tax equal to 13 percent of the removal price of any taxable crude oil or natural gas removed from the premises during any taxable period.

''(b) CREDIT FOR FEDERAL ROYALTIES PAID.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by subsection (a) with respect to the production of any taxable crude oil or natural gas an amount equal to the aggregate amount of royalties paid under Federal law with respect to such production.

''(2) LIMITATION.—The aggregate amount of credits allowed under paragraph (1) to any taxpayer for any taxable period shall not exceed the amount of tax imposed by subsection (a) for such taxable period.

''(c) TAX PAID BY PRODUCER.—The tax imposed by this section shall be paid by the producer of the taxable crude oil or natural gas.

''SEC. 5897. TAXABLE CRUDE OIL OR NATURAL GAS AND REMOVAL PRICE.

''(a) TAXABLE CRUDE OIL OR NATURAL GAS.—For purposes of this chapter, the term 'taxable crude oil or natural gas' means crude oil or natural gas which is produced from Federal submerged lands on the outer Continental Shelf in the Gulf of Mexico pursuant to a lease entered into with the United States which authorizes the production.

''(b) REMOVAL PRICE.—For purposes of this chapter—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'removal price' means—

''(A) in the case of taxable crude oil, the amount for which a barrel of such crude oil is sold, and

''(B) in the case of taxable natural gas, the amount per 1,000 cubic feet for which such natural gas is sold.

''(2) SALES BETWEEN RELATED PERSONS.—In the case of a sale between related persons, the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

''(3) OIL OR GAS REMOVED FROM PROPERTY BEFORE SALE.—If crude oil or natural gas is removed from the property before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

''(4) REFINING BEGUN ON PROPERTY.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the property—

''(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

''(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

''(5) PROPERTY.—The term 'property' has the meaning given such term by section 614.

''SEC. 5898. SPECIAL RULES AND DEFINITIONS.

''(a) ADMINISTRATIVE REQUIREMENTS.—

''(1) WITHHOLDING AND DEPOSIT OF TAX.—The Secretary shall provide for the withholding and deposit of the tax imposed under section 5896 on a quarterly basis.

''(2) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 5896 shall keep such records, make such returns, and furnish such information (to the Secretary and to other persons having an interest in the taxable crude oil or natural gas) with respect to such oil as the Secretary may by regulations prescribe.

''(3) TAXABLE PERIODS; RETURN OF TAX.—

''(A) TAXABLE PERIOD.—Except as provided by the Secretary, each calendar year shall constitute a taxable period.

''(B) RETURNS.—The Secretary shall provide for the filing, and the time for filing, of the return of the tax imposed under section 5896.

''(b) DEFINITIONS.—For purposes of this chapter—

''(1) PRODUCER.—The term 'producer' means the holder of the economic interest with respect to the crude oil or natural gas.

''(2) CRUDE OIL.—The term 'crude oil' includes crude oil condensates and natural gasoline.

''(3) PREMISES AND CRUDE OIL PRODUCT.—The terms 'premises' and 'crude oil product' have the same meanings as when used for purposes of determining gross income from the property under section 613.

''(c) ADJUSTMENT OF REMOVAL PRICE.—In determining the removal price of oil or natural gas from a property in the case of any transaction, the Secretary may adjust the removal price to reflect clearly the fair market value of oil or natural gas removed.

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.''.

(b) DEDUCTIBILITY OF TAX.—The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

''(6) The tax imposed by section 5896(a) (after application of section 5896(b)) on the severance of crude oil or natural gas from the outer Continental Shelf in the Gulf of Mexico.''.

(c) CLERICAL AMENDMENT.—The table of chapters for subtitle E is amended by adding at the end the following new item:

''CHAPTER 56. Tax on severance of crude oil and natural gas from the outer Continental Shelf in the Gulf of Mexico.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to crude oil or natural gas removed after the date of the enactment of this Act.

SEC. 886. TAXATION OF TAXABLE FUELS IN FOREIGN TRADE ZONES.

(a) TAX IMPOSED ON REMOVALS AND ENTRIES IN FOREIGN TRADE ZONES.—

(1) IN GENERAL.—Subsection (a) of section 4083 (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) UNITED STATES.—The term 'United States' includes any foreign trade zone or bonded warehouse located in the United States.''.

(2) CONFORMING AMENDMENT.—Section 4081(a)(1)(A) (relating to imposition of tax) is amended—

(A) in clause (i), by inserting ''in the United States'' after ''refinery''; and

(B) in clause (ii), by inserting ''in the United States'' after ''terminal''.

(b) TREATMENT OF TAXABLE FUEL IN FOREIGN TRADE ZONES.—Paragraph (2) of section 81c(a) of title 19, United States Code, is amended by inserting ''(other than the provisions relating to taxable fuel (as defined under section 4083(a) of the Internal Revenue Code of 1986))'' after ''thereunder''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to removals and entries after December 31, 2007.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall take effect on January 1, 2008.

SEC. 887. CLARIFICATION OF PENALTY FOR SALE OF FUEL FAILING TO MEET EPA REGULATIONS.

(a) IN GENERAL.—Subsection (a) of section 6720A (relating to penalty with respect to certain adulterated fuels) is amended by striking ''applicable EPA regulations (as defined in section 45H(c)(3))'' and inserting ''the requirements for diesel fuel under section 211 of the Clean Air Act, as determined by the Secretary,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any transfer, sale, or holding out for sale or resale occurring after the date of the enactment of this Act.

SEC. 888. CLARIFICATION OF ELIGIBILITY FOR CERTAIN FUELS CREDITS FOR FUEL WITH INSUFFICIENT NEXUS TO THE UNITED STATES.

(a) IN GENERAL.—

(1) ALCOHOL CREDIT.—Subsection (d) of section 40 is amended by adding at the end the following new paragraph:

''(6) LIMITATION TO ALCOHOL WITH CONNECTION TO THE UNITED STATES.—

''(A) ALCOHOL CREDIT.—No alcohol credit shall be determined under this section with respect to any alcohol unless such alcohol is produced in the United States for consumption in the United States or entered into the United States for consumption in the United States.

''(B) ALCOHOL MIXTURE CREDIT.—No alcohol mixture credit shall be determined under this section with respect to any mixture unless such mixture is produced in the United States for consumption in the United States or entered into the United States for consumption in the United States.

''(C) NO CREDITS FOR ALCOHOL DESTINED FOR EXPORT.—No credit (other than the small ethanol producer credit) shall be determined under this section with respect to any mixture or alcohol if such mixture or alcohol is destined for export from the United States (as determined by the Secretary).

''(D) SPECIAL RULE FOR SMALL PRODUCER CREDITS.—No small ethanol producer credit, small cellulosic alcohol producer credit, or small fossil free alcohol producer credit shall be determined under this section with respect to any alcohol unless such alcohol is produced in the United States.''.

(2) BIODIESEL CREDIT.—Subsection (d) of section 40A is amended by adding at the end the following new paragraph:

''(5) LIMITATION TO BIODIESEL WITH CONNECTION TO THE UNITED STATES.—

''(A) BIODIESEL CREDIT.—No biodiesel credit shall be determined under this section with respect to any biodiesel unless such biodiesel is produced in the United States for consumption in the United States or is entered into the United States for consumption in the United States.

''(B) BIODIESEL MIXTURE CREDIT.—No biodiesel mixture credit shall be determined under this section with respect to any mixture unless such mixture is produced in the United States for consumption in the United States or is entered into the United States for consumption in the United States.

''(C) NO CREDITS FOR BIODIESEL DESTINED FOR EXPORT.—No credit (other than the small agri-biodiesel producer credit) shall be determined under this section with respect to any mixture or biodiesel if such mixture or biodiesel is destined for export from the United States (as determined by the Secretary).

''(D) SPECIAL RULE FOR SMALL AGRI-BIODIESEL PRODUCER CREDIT.—No small agri-biodiesel producer credit shall be determined under this section with respect to any agri-biodiesel unless such agri-biodiesel is produced in the United States.''.

(3) EXCISE TAX CREDITS.—Section 6426, as amended by section 833, is amended by adding at the end the following new subsection:

''(i) LIMITATION TO FUELS WITH CONNECTION TO THE UNITED STATES.—

''(1) MIXTURE CREDITS.—No credit shall be determined under this section with respect to any mixture unless such mixture is produced in the United States for consumption in the United States or is entered into the United States for consumption in the United States.

''(2) ALTERNATIVE FUEL CREDIT.—No alternative fuel credit shall be determined under this section with respect to any alternative fuel unless such alternative fuel is produced in the United States for consumption in the United States or is entered into the United States for consumption in the United States.

''(3) NO CREDITS FOR FUELS DESTINED FOR EXPORT.—No credit shall be determined under this section with respect to any mixture or alternative fuel if such mixture or alternative fuel is destined for export from the United States (as determined by the Secretary).''.

(4) PAYMENTS.—Subsection (e) of section 6427 is amended by redesignating paragraph (5), as amended by this Act, as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) LIMITATION TO FUELS WITH CONNECTION TO THE UNITED STATES.—No amount shall be payable under paragraph (1) or (2) with respect to any mixture or alternative fuel if credit is not allowed with respect to such mixture or alternative fuel by reason of section 6426(i).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.

SEC. 889. TREATMENT OF QUALIFIED ALCOHOL FUEL MIXTURES AND QUALIFIED BIODIESEL FUEL MIXTURES AS TAXABLE FUELS.

(a) IN GENERAL.—Subparagraph (A) of section 4083(a)(3) (relating to diesel fuel) is amended by striking ''and'' at the end of clause (ii), by redesignating clause (iii) as clause (v), and inserting after clause (ii) the following new clauses:

''(iii) any qualified mixture (as defined in section 40(b)(1)(B)) which is a mixture of alcohol and special fuel,

''(iv) any qualified biodiesel mixture (as defined in section 40A(b)(1)(B)), and''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels removed, entered, or sold after December 31, 2007.

SEC. 890. CALCULATION OF VOLUME OF ALCOHOL FOR FUEL CREDITS.

(a) IN GENERAL.—Paragraph (4) of section 40(d) (relating to volume of alcohol) is amended by striking ''the volume of alcohol'' and all that follows and inserting ''the volume of alcohol shall not include any denaturant added to such alcohol.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to fuel sold or used after December 31, 2007.

SEC. 891. BULK TRANSFER EXCEPTION NOT TO APPLY TO FINISHED GASOLINE.

(a) IN GENERAL.—Subparagraph (B) of section 4081(a)(1) (relating to tax on removal, entry, or sale) is amended by adding at the end the following new clause:

''(iii) EXCEPTION FOR FINISHED GASOLINE.—Clause (i) shall not apply to any gasoline which meets the requirements for gasoline under section 211 of the Clean Air Act.''.

(b) EXCEPTION TO TAX ON FINISHED GASOLINE FOR PRIOR TAXABLE REMOVALS.—Paragraph (1) of section 4081(a) is amended by adding at the end the following new subparagraph:

''(C) EXEMPTION FOR PREVIOUSLY TAXED FINISHED GASOLINE.—The tax imposed by this paragraph shall not apply to the removal of gasoline described in subparagraph (B)(iii) from any terminal if there was a prior taxable removal or entry of such fuel under clause (i), (ii), or (iii) of subparagraph (A). The preceding sentence shall not apply to the volume of any product added to such gasoline at the terminal unless there was a prior taxable removal or entry of such product under clause (i), (ii), or (iii) of subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to fuel removed, entered, or sold after December 31, 2007.

SEC. 892. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 893. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 894. REVISION OF TAX RULES ON EXPATRIATION OF INDIVIDUALS.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence.

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

''(B) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of an expatriation date occurring in any calendar year after 2007, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2006' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

''(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

''(A) IN GENERAL.—If a covered expatriate elects the application of this paragraph—

''(i) this section (other than this paragraph and subsection (i)) shall not apply to the expatriate, but

''(ii) in the case of property to which this section would apply but for such election, the expatriate shall be subject to tax under this title in the same manner as if the individual were a United States citizen.

''(B) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

''(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

''(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

''(iii) complies with such other requirements as the Secretary may prescribe.

''(C) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF POSTPONEMENT.—No tax may be postponed under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to

any property unless adequate security is provided to the Secretary with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

''(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

''(7) INTEREST.—For purposes of section 6601—

''(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

''(B) section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

''(c) COVERED EXPATRIATE.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraph (2), the term 'covered expatriate' means an expatriate.

''(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

''(A) the individual—

''(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(ii) has not been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

''(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

''(d) EXEMPT PROPERTY; SPECIAL RULES FOR PENSION PLANS.—

''(1) EXEMPT PROPERTY.—This section shall not apply to the following:

''(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 897(c)(2).

''(B) SPECIFIED PROPERTY.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

''(2) SPECIAL RULES FOR CERTAIN RETIREMENT PLANS.—

''(A) IN GENERAL.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

''(i) such interest shall not be treated as sold for purposes of subsection (a)(1), but

''(ii) an amount equal to the present value of the expatriate's nonforfeitable accrued benefit shall be treated as having been received by such individual on such date as a distribution under the plan.

''(B) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—In the case of any distribution on or after the expatriation date to or on behalf of the covered expatriate from a plan from which the expatriate was treated as receiving a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

''(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on the plan's behalf, shall treat any subsequent distribution described in subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

''(D) APPLICABLE PLANS.—This paragraph shall apply to—

''(i) any qualified retirement plan (as defined in section 4974(c)),

''(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

''(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

''(e) DEFINITIONS.—For purposes of this section—

''(1) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes citizenship, and

''(B) any long-term resident of the United States who—

''(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

''(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

''(2) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

''(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

''(A) the date the individual renounces such individual's United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(4) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust on the day before the expatriation date—

''(A) the individual shall not be treated as having sold such interest,

''(B) such interest shall be treated as a separate share in the trust, and

''(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

''(ii) the separate trust shall be treated as having sold its assets on the day before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

''(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii). In determining the amount of such distribution, proper adjustments shall be made for liabilities of the trust allocable to an individual's share in the trust.

''(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

''(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

''(i) paragraph (1) and subsection (a) shall not apply, and

''(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

''(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

''(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

''(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

''(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

''(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

''(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

''(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

''(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

''(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from

the trust with respect to nonvested interests not held by such person.

''(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

''(E) TAX DEDUCTED AND WITHHELD.—

''(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

''(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

''(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

''(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

''(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

''(i) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

''(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

''(G) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust which is described in section 7701(a)(30)(E).

''(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the day before the expatriation date, is vested in the beneficiary.

''(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

''(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

''(v) COORDINATION WITH RETIREMENT PLAN RULES.—This subsection shall not apply to an interest in a trust which is part of a retirement plan to which subsection (d)(2) applies.

''(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

''(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

''(B) OTHER DETERMINATIONS.—For purposes of this section—

''(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

''(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

''(I) the methodology used to determine that taxpayer's trust interest under this section, and

''(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

''(g) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(1) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

''(2) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(h) IMPOSITION OF TENTATIVE TAX.—

''(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

''(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

''(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

''(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

''(i) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

''(1) IMPOSITION OF LIEN.—

''(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by reason of subsection (a), the deferred amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

''(B) DEFERRED AMOUNT.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate's income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

''(2) PERIOD OF LIEN.—The lien imposed by this subsection shall arise on the expatriation date and continue until—

''(A) the liability for tax by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

''(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

''(3) CERTAIN RULES APPLY.—The rules set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6324A.

''(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) INCLUSION IN INCOME OF GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

''(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—

''(1) TREATMENT OF GIFTS AND INHERITANCES.—

''(A) IN GENERAL.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date.

''(B) DETERMINATION OF BASIS.—Notwithstanding sections 1015 or 1022, the basis of any property described in subparagraph (A) in the hands of the donee or the person acquiring such property from the decedent shall be equal to the fair market value of the property at the time of the gift, bequest, devise, or inheritance.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1) shall not apply to any property if either—

''(A) the gift, bequest, devise, or inheritance is—

''(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

''(ii) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

''(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.

''(3) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

''(E) FORMER CITIZENS NOT IN COMPLIANCE WITH EXPATRIATION REVENUE PROVISIONS.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 877A(e)(3) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation) is inadmissible.''.

(2) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Section 6103(l) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

''(21) DISCLOSURE TO DENY VISA OR ADMISSION TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General or the Attorney General's delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance, any items of noncompliance) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 212(a)(10)(E).''.

(B) SAFEGUARDS.—Section 6103(p)(4) (relating to safeguards) is amended by striking ''or (20)'' each place it appears and inserting ''(20), or (21)''.

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

''(h) APPLICATION.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this subsection.''.

(2) Section 2107 is amended by adding at the end the following new subsection:

''(f) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.''.

(3) Section 2501(a)(3) is amended by adding at the end the following new subparagraph:

''(C) APPLICATION.—This paragraph shall not apply to any expatriate subject to section 877A.''.

(4) Section 6039G(a) is amended by inserting ''or 877A'' after ''section 877(b)''.

(5) The second sentence of section 6039G(d) is amended by inserting ''or who relinquishes United States citizenship (within the meaning of section 877A(e)(3))'' after ''section 877(a))''.

(6) Section 7701(n) is amended by adding at the end the following new paragraph:

''(3) APPLICATION.—This subsection shall not apply to any expatriate subject to section 877A.''.

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to gifts and bequests received on or after the date of the enactment of this Act, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of the Internal Revenue Code of 1986, as added by this section, shall in no event occur before the 90th day after the date of the enactment of this Act.

Subtitle C—Secure Rural Schools and Community Self-Determination Program

SEC. 901. SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION PROGRAM.

(a) REAUTHORIZATION OF THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.—The Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106–393) is amended by striking sections 1 through 403 and inserting the following:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Secure Rural Schools and Community Self-Determination Act of 2000'.

''SEC. 2. PURPOSES.

''The purposes of this Act are—

''(1) to stabilize and transition payments to counties to provide funding for schools and roads that supplements other available funds;

''(2) to make additional investments in, and create additional employment opportunities through, projects that—

''(A)(i) improve the maintenance of existing infrastructure;

''(ii) implement stewardship objectives that enhance forest ecosystems; and

''(iii) restore and improve land health and water quality;

''(B) enjoy broad-based support; and

''(C) have objectives that may include—

''(i) road, trail, and infrastructure maintenance or obliteration;

''(ii) soil productivity improvement;

''(iii) improvements in forest ecosystem health;

''(iv) watershed restoration and maintenance;

''(v) the restoration, maintenance, and improvement of wildlife and fish habitat;

''(vi) the control of noxious and exotic weeds; and

''(vii) the reestablishment of native species; and

''(3) to improve cooperative relationships among—

''(A) the people that use and care for Federal land; and

''(B) the agencies that manage the Federal land.

''SEC. 3. DEFINITIONS.

''In this Act:

''(1) ADJUSTED SHARE.—The term 'adjusted share' means the number equal to the quotient obtained by dividing—

''(A) the number equal to the quotient obtained by dividing—

''(i) the base share for the eligible county; by

''(ii) the income adjustment for the eligible county; by

''(B) the number equal to the sum of the quotients obtained under subparagraph (A) and paragraph (8)(A) for all eligible counties.

''(2) BASE SHARE.—The term 'base share' means the number equal to the average of—

''(A) the quotient obtained by dividing—

''(i) the number of acres of Federal land described in paragraph (7)(A) in each eligible county; by

''(ii) the total number acres of Federal land in all eligible counties in all eligible States; and

''(B) the quotient obtained by dividing—

''(i) the amount equal to the average of the 3 highest 25-percent payments and safety net payments made to each eligible State for each eligible county during the eligibility period; by

''(ii) the amount equal to the sum of the amounts calculated under clause (i) and paragraph (9)(B)(i) for all eligible counties in all eligible States during the eligibility period.

''(3) COUNTY PAYMENT.—The term 'county payment' means the payment for an eligible county calculated under section 101(b).

''(4) ELIGIBLE COUNTY.—The term 'eligible county' means any county that—

''(A) contains Federal land (as defined in paragraph (7)); and

''(B) elects to receive a share of the State payment or the county payment under section 102(b).

''(5) ELIGIBILITY PERIOD.—The term 'eligibility period' means fiscal year 1986 through fiscal year 1999.

''(6) ELIGIBLE STATE.—The term 'eligible State' means a State or territory of the United States that received a 25-percent payment for 1 or more fiscal years of the eligibility period.

''(7) FEDERAL LAND.—The term 'Federal land' means—

''(A) land within the National Forest System, as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)) exclusive of the National Grasslands and land utilization projects designated as National Grasslands administered pursuant to the Act of July 22, 1937 (7 U.S.C. 1010–1012); and

''(B) such portions of the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant land as are or may hereafter come under the jurisdiction of the Department of the Interior, which have heretofore or may hereafter be classified as timberlands, and power-site land valuable for timber, that shall be managed, except as provided in the former section 3 of the Act of August 28, 1937 (50 Stat. 875; 43 U.S.C. 1181c), for permanent forest production.

''(8) 50-PERCENT ADJUSTED SHARE.—The term '50-percent adjusted share' means the number equal to the quotient obtained by dividing—

''(A) the number equal to the quotient obtained by dividing—

''(i) the 50-percent base share for the eligible county; by

''(ii) the income adjustment for the eligible county; by

''(B) the number equal to the sum of the quotients obtained under subparagraph (A) and paragraph (1)(A) for all eligible counties.

''(9) 50-PERCENT BASE SHARE.—The term '50-percent base share' means the number equal to the average of—

''(A) the quotient obtained by dividing—

''(i) the number of acres of Federal land described in paragraph (7)(B) in each eligible county; by

''(ii) the total number acres of Federal land in all eligible counties in all eligible States; and

''(B) the quotient obtained by dividing—

''(i) the amount equal to the average of the 3 highest 50-percent payments made to each eligible county during the eligibility period; by

''(ii) the amount equal to the sum of the amounts calculated under clause (i) and paragraph (2)(B)(i) for all eligible counties in all eligible States during the eligibility period.

''(10) 50-PERCENT PAYMENT.—The term '50-percent payment' means the payment that is the sum of the 50-percent share otherwise paid to a county pursuant to title II of the Act of August 28, 1937 (chapter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the payment made to a county pursuant to the Act of May 24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f–1 et seq.).

''(11) FULL FUNDING AMOUNT.—The term 'full funding amount' means—

''(A) $526,079,656 for fiscal year 2007;

''(B) $520,000,000 for fiscal year 2008; and

''(C) for fiscal year 2009 and each fiscal year thereafter, the amount that is equal to

90 percent of the full funding amount for the preceding fiscal year.

''(12) INCOME ADJUSTMENT.—The term 'income adjustment' means the square of the quotient obtained by dividing—

''(A) the per capita personal income for each eligible county; by

''(B) the median per capita personal income of all eligible counties.

''(13) PER CAPITA PERSONAL INCOME.—The term 'per capita personal income' means the most recent per capita personal income data, as determined by the Bureau of Economic Analysis.

''(14) SAFETY NET PAYMENTS.—The term 'safety net payments' means the special payment amounts paid to States and counties required by section 13982 or 13983 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43 U.S.C. 1181f note).

''(15) SECRETARY CONCERNED.—The term 'Secretary concerned' means—

''(A) the Secretary of Agriculture or the designee of the Secretary of Agriculture with respect to the Federal land described in paragraph (7)(A); and

''(B) the Secretary of the Interior or the designee of the Secretary of the Interior with respect to the Federal land described in paragraph (7)(B).

''(16) STATE PAYMENT.—The term 'State payment' means the payment for an eligible State calculated under section 101(a).

''(17) 25-PERCENT PAYMENT.—The term '25-percent payment' means the payment to States required by the sixth paragraph under the heading of 'forest service' in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

''TITLE I—SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND

''SEC. 101. SECURE PAYMENTS FOR STATES CONTAINING FEDERAL LAND.

''(a) STATE PAYMENT.—For each of fiscal years 2007 through 2011, the Secretary of Agriculture shall calculate for each eligible State an amount equal to the sum of the products obtained by multiplying—

''(1) the adjusted share for each eligible county within the eligible State; by

''(2) the full funding amount for the fiscal year.

''(b) COUNTY PAYMENT.—For each of fiscal years 2007 through 2011, the Secretary of the Interior shall calculate for each eligible county that received a 50-percent payment during the eligibility period an amount equal to the product obtained by multiplying—

''(1) the 50-percent adjusted share for the eligible county; by

''(2) the full funding amount for the fiscal year.

''SEC. 102. PAYMENTS TO STATES AND COUNTIES.

''(a) PAYMENT AMOUNTS.—Except as provided in section 103, the Secretary of the Treasury shall pay to—

''(1) a State or territory of the United States an amount equal to the sum of the amounts elected under subsection (b) by each county within the State or territory for—

''(A) if the county is eligible for the 25-percent payment, the share of the 25-percent payment; or

''(B) the share of the State payment of the eligible county; and

''(2) a county an amount equal to the amount elected under subsection (b) by each county for—

''(A) if the county is eligible for the 50-percent payment, the 50-percent payment; or

''(B) the county payment for the eligible county.

''(b) ELECTION TO RECEIVE PAYMENT AMOUNT.—

''(1) ELECTION; SUBMISSION OF RESULTS.—

''(A) IN GENERAL.—The election to receive a share of the State payment, the county payment, a share of the State payment and the county payment, a share of the 25-percent payment, the 50-percent payment, or a share of the 25-percent payment and the 50-percent payment, as applicable, shall be made at the discretion of each affected county by August 1, 2007, and August 1 of each second fiscal year thereafter, in accordance with paragraph (2), and transmitted to the Secretary concerned by the Governor of each eligible State.

''(B) FAILURE TO TRANSMIT.—If an election for an affected county is not transmitted to the Secretary concerned by the date specified under subparagraph (A), the affected county shall be considered to have elected to receive a share of the State payment, the county payment, or a share of the State payment and the county payment, as applicable.

''(2) DURATION OF ELECTION.—

''(A) IN GENERAL.—A county election to receive a share of the 25-percent payment or 50-percent payment, as applicable shall be effective for 2 fiscal years.

''(B) FULL FUNDING AMOUNT.—If a county elects to receive a share of the State payment or the county payment, the election shall be effective for all subsequent fiscal years through fiscal year 2011.

''(3) SOURCE OF PAYMENT AMOUNTS.—The payment to an eligible State or eligible county under this section for a fiscal year shall be derived from—

''(A) any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust fund, special account, or permanent operating funds, received by the Federal Government from activities by the Bureau of Land Management or the Forest Service on the applicable Federal land;

''(B) for fiscal year 2007, any funds appropriated to carry out this Act; and

''(C) to the extent of any shortfall, out of any amounts in the Treasury of the United States not otherwise appropriated.

''(c) DISTRIBUTION AND EXPENDITURE OF PAYMENTS.—

''(1) DISTRIBUTION METHOD.—A State that receives a payment under subsection (a) for Federal land described in section 3(7)(A) shall distribute the appropriate payment amount among the appropriate counties in the State in accordance with—

''(A) the Act of May 23, 1908 (16 U.S.C. 500); and

''(B) section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

''(2) EXPENDITURE PURPOSES.—Subject to subsection (d), payments received by a State under subsection (a) and distributed to counties in accordance with paragraph (1) shall be expended as required by the laws referred to in paragraph (1).

''(d) EXPENDITURE RULES FOR ELIGIBLE COUNTIES.—

''(1) ALLOCATIONS.—

''(A) USE OF PORTION IN SAME MANNER AS 25-PERCENT PAYMENT OR 50-PERCENT PAYMENT, AS APPLICABLE.—Except as provided in paragraph (3)(B), if an eligible county elects to receive its share of the State payment or the county payment, not less than 80 percent, but not more than 85 percent, of the funds shall be expended in the same manner in which the 25-percent payments or 50-percent payment, as applicable, are required to be expended.

''(B) ELECTION AS TO USE OF BALANCE.—Except as provided in subparagraph (C), an eligible county shall elect to do 1 or more of the following with the balance of any funds not expended pursuant to subparagraph (A):

''(i) Reserve any portion of the balance for projects in accordance with title II.

''(ii) Reserve not more than 7 percent of the total share for the eligible county of the State payment or the county payment for projects in accordance with title III.

''(iii) Return the portion of the balance not reserved under clauses (i) and (ii) to the Treasury of the United States.

''(C) COUNTIES WITH MODEST DISTRIBUTIONS.—In the case of each eligible county to which more than $100,000, but less than $350,000, is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county, with respect to the balance of any funds not expended pursuant to subparagraph (A) for that fiscal year, shall—

''(i) reserve any portion of the balance for—

''(I) carrying out projects under title II;

''(II) carrying out projects under title III; or

''(III) a combination of the purposes described in subclauses (I) and (II); or

''(ii) return the portion of the balance not reserved under clause (i) to the Treasury of the United States.

''(2) DISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—Funds reserved by an eligible county under subparagraph (B)(i) or (C)(i) of paragraph (1) for carrying out projects under title II shall be deposited in a special account in the Treasury of the United States.

''(B) AVAILABILITY.—Amounts deposited under subparagraph (A) shall—

''(i) be available for expenditure by the Secretary concerned, without further appropriation; and

''(ii) remain available until expended in accordance with title II.

''(3) ELECTION.—

''(A) NOTIFICATION.—

''(i) IN GENERAL.—An eligible county shall notify the Secretary concerned of an election by the eligible county under this subsection not later than September 30 of each fiscal year.

''(ii) FAILURE TO ELECT.—Except as provided in subparagraph (B), if the eligible county fails to make an election by the date specified in clause (i), the eligible county shall—

''(I) be considered to have elected to expend 85 percent of the funds in accordance with paragraph (1)(A); and

''(II) return the balance to the Treasury of the United States.

''(B) COUNTIES WITH MINOR DISTRIBUTIONS.—In the case of each eligible county to which less than $100,000 is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county may elect to expend all the funds in the same manner in which the 25-percent payments or 50-percent payments, as applicable, are required to be expended.

''(e) TIME FOR PAYMENT.—The payments required under this section for a fiscal year shall be made as soon as practicable after the end of that fiscal year.

''SEC. 103. TRANSITION PAYMENTS TO THE STATES OF CALIFORNIA, OREGON, AND WASHINGTON.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED AMOUNT.—The term 'adjusted amount' means, with respect to a covered State—

''(A) for fiscal year 2007—

''(i) the sum of the amounts paid for fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2007; and

''(ii) the sum of the amounts paid for fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected

under section 102(b) to receive the county payment for fiscal year 2007;

''(B) for fiscal year 2008, 90 percent of—

''(i) the sum of the amounts paid for fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2008; and

''(ii) the sum of the amounts paid for fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2008;

''(C) for fiscal year 2009, 81 percent of—

''(i) the sum of the amounts paid for fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2009; and

''(ii) the sum of the amounts paid for fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2009; and

''(D) for fiscal year 2010, 73 percent of—

''(i) the sum of the amounts paid for fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2010; and

''(ii) the sum of the amounts paid for fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2010.

''(2) COVERED STATE.—The term 'covered State' means each of the States of California, Oregon, and Washington.

''(b) TRANSITION PAYMENTS.—For each of fiscal years 2007 through 2010, in lieu of the payment amounts that otherwise would have been made under paragraphs (1)(B) and (2)(B) of section 102(a), the Secretary of the Treasury shall pay the adjusted amount to each covered State and the eligible counties within the covered State, as applicable.

''(c) DISTRIBUTION OF ADJUSTED AMOUNT IN OREGON AND WASHINGTON.—It is the intent of Congress that the method of distributing the payments under subsection (b) among the counties in the States of Oregon and Washington for each of fiscal years 2007 through 2010 be in the same proportion that the payments were distributed to the eligible counties in fiscal year 2006.

''(d) DISTRIBUTION OF PAYMENTS IN CALIFORNIA.—The following payments shall be distributed among the eligible counties in the State of California in the same proportion that payments under section 102(a)(2) (as in effect on September 29, 2006) were distributed to the eligible counties for fiscal year 2006:

''(1) Payments to the State of California under subsection (b).

''(2) The shares of the eligible counties of the State payment for California under section 102 for fiscal year 2011.

''(e) TREATMENT OF PAYMENTS.—For purposes of this Act, any payment made under subsection (b) shall be considered to be a payment made under section 102(a).

''TITLE II—SPECIAL PROJECTS ON FEDERAL LAND

''SEC. 201. DEFINITIONS.

''In this title:

''(1) PARTICIPATING COUNTY.—The term 'participating county' means an eligible county that elects under section 102(d) to expend a portion of the Federal funds received under section 102 in accordance with this title.

''(2) PROJECT FUNDS.—The term 'project funds' means all funds an eligible county elects under section 102(d) to reserve for expenditure in accordance with this title.

''(3) RESOURCE ADVISORY COMMITTEE.—The term 'resource advisory committee' means—

''(A) an advisory committee established by the Secretary concerned under section 205; or

''(B) an advisory committee determined by the Secretary concerned to meet the requirements of section 205.

''(4) RESOURCE MANAGEMENT PLAN.—The term 'resource management plan' means—

''(A) a land use plan prepared by the Bureau of Land Management for units of the Federal land described in section 3(7)(B) pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712); or

''(B) a land and resource management plan prepared by the Forest Service for units of the National Forest System pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 19741 (16 U.S.C. 1604).

''SEC. 202. GENERAL LIMITATION ON USE OF PROJECT FUNDS.

''(a) LIMITATION.—Project funds shall be expended solely on projects that meet the requirements of this title.

''(b) AUTHORIZED USES.—Project funds may be used by the Secretary concerned for the purpose of entering into and implementing cooperative agreements with willing Federal agencies, State and local governments, private and nonprofit entities, and landowners for protection, restoration, and enhancement of fish and wildlife habitat, and other resource objectives consistent with the purposes of this Act on Federal land and on non-Federal land where projects would benefit the resources on Federal land.

''SEC. 203. SUBMISSION OF PROJECT PROPOSALS.

''(a) SUBMISSION OF PROJECT PROPOSALS TO SECRETARY CONCERNED.—

''(1) PROJECTS FUNDED USING PROJECT FUNDS.—Not later than September 30 for fiscal year 2007, and each September 30 thereafter for each succeeding fiscal year through fiscal year 2011, each resource advisory committee shall submit to the Secretary concerned a description of any projects that the resource advisory committee proposes the Secretary undertake using any project funds reserved by eligible counties in the area in which the resource advisory committee has geographic jurisdiction.

''(2) PROJECTS FUNDED USING OTHER FUNDS.—A resource advisory committee may submit to the Secretary concerned a description of any projects that the committee proposes the Secretary undertake using funds from State or local governments, or from the private sector, other than project funds and funds appropriated and otherwise available to do similar work.

''(3) JOINT PROJECTS.—Participating counties or other persons may propose to pool project funds or other funds, described in paragraph (2), and jointly propose a project or group of projects to a resource advisory committee established under section 205.

''(b) REQUIRED DESCRIPTION OF PROJECTS.—In submitting proposed projects to the Secretary concerned under subsection (a), a resource advisory committee shall include in the description of each proposed project the following information:

''(1) The purpose of the project and a description of how the project will meet the purposes of this title.

''(2) The anticipated duration of the project.

''(3) The anticipated cost of the project.

''(4) The proposed source of funding for the project, whether project funds or other funds.

''(5)(A) Expected outcomes, including how the project will meet or exceed desired ecological conditions, maintenance objectives, or stewardship objectives.

''(B) An estimate of the amount of any timber, forage, and other commodities and other economic activity, including jobs generated, if any, anticipated as part of the project.

''(6) A detailed monitoring plan, including funding needs and sources, that—

''(A) tracks and identifies the positive or negative impacts of the project, implementation, and provides for validation monitoring; and

''(B) includes an assessment of the following:

''(i) Whether or not the project met or exceeded desired ecological conditions; created local employment or training opportunities, including summer youth jobs programs such as the Youth Conservation Corps where appropriate.

''(ii) Whether the project improved the use of, or added value to, any products removed from land consistent with the purposes of this title.

''(7) An assessment that the project is to be in the public interest.

''(c) AUTHORIZED PROJECTS.—Projects proposed under subsection (a) shall be consistent with section 2.

''SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY SECRETARY CONCERNED.

''(a) CONDITIONS FOR APPROVAL OF PROPOSED PROJECT.—The Secretary concerned may make a decision to approve a project submitted by a resource advisory committee under section 203 only if the proposed project satisfies each of the following conditions:

''(1) The project complies with all applicable Federal laws (including regulations).

''(2) The project is consistent with the applicable resource management plan and with any watershed or subsequent plan developed pursuant to the resource management plan and approved by the Secretary concerned.

''(3) The project has been approved by the resource advisory committee in accordance with section 205, including the procedures issued under subsection (e) of that section.

''(4) A project description has been submitted by the resource advisory committee to the Secretary concerned in accordance with section 203.

''(5) The project will improve the maintenance of existing infrastructure, implement stewardship objectives that enhance forest ecosystems, and restore and improve land health and water quality.

''(b) ENVIRONMENTAL REVIEWS.—

''(1) REQUEST FOR PAYMENT BY COUNTY.—The Secretary concerned may request the resource advisory committee submitting a proposed project to agree to the use of project funds to pay for any environmental review, consultation, or compliance with applicable environmental laws required in connection with the project.

''(2) CONDUCT OF ENVIRONMENTAL REVIEW.—If a payment is requested under paragraph (1) and the resource advisory committee agrees to the expenditure of funds for this purpose, the Secretary concerned shall conduct environmental review, consultation, or other compliance responsibilities in accordance with Federal laws (including regulations).

''(3) EFFECT OF REFUSAL TO PAY.—

''(A) IN GENERAL.—If a resource advisory committee does not agree to the expenditure of funds under paragraph (1), the project shall be deemed withdrawn from further consideration by the Secretary concerned pursuant to this title.

''(B) EFFECT OF WITHDRAWAL.—A withdrawal under subparagraph (A) shall be

deemed to be a rejection of the project for purposes of section 207(c).

''(c) DECISIONS OF SECRETARY CONCERNED.—

''(1) REJECTION OF PROJECTS.—

''(A) IN GENERAL.—A decision by the Secretary concerned to reject a proposed project shall be at the sole discretion of the Secretary concerned.

''(B) NO ADMINISTRATIVE APPEAL OR JUDICIAL REVIEW.—Notwithstanding any other provision of law, a decision by the Secretary concerned to reject a proposed project shall not be subject to administrative appeal or judicial review.

''(C) NOTICE OF REJECTION.—Not later than 30 days after the date on which the Secretary concerned makes the rejection decision, the Secretary concerned shall notify in writing the resource advisory committee that submitted the proposed project of the rejection and the reasons for rejection.

''(2) NOTICE OF PROJECT APPROVAL.—The Secretary concerned shall publish in the Federal Register notice of each project approved under subsection (a) if the notice would be required had the project originated with the Secretary.

''(d) SOURCE AND CONDUCT OF PROJECT.—Once the Secretary concerned accepts a project for review under section 203, the acceptance shall be deemed a Federal action for all purposes.

''(e) IMPLEMENTATION OF APPROVED PROJECTS.—

''(1) COOPERATION.—Notwithstanding chapter 63 of title 31, United States Code, using project funds the Secretary concerned may enter into contracts, grants, and cooperative agreements with States and local governments, private and nonprofit entities, and landowners and other persons to assist the Secretary in carrying out an approved project.

''(2) BEST VALUE CONTRACTING.—

''(A) IN GENERAL.—For any project involving a contract authorized by paragraph (1) the Secretary concerned may elect a source for performance of the contract on a best value basis.

''(B) FACTORS.—The Secretary concerned shall determine best value based on such factors as—

''(i) the technical demands and complexity of the work to be done;

''(ii)(I) the ecological objectives of the project; and

''(II) the sensitivity of the resources being treated;

''(iii) the past experience by the contractor with the type of work being done, using the type of equipment proposed for the project, and meeting or exceeding desired ecological conditions; and

''(iv) the commitment of the contractor to hiring highly qualified workers and local residents.

''(3) MERCHANTABLE TIMBER CONTRACTING PILOT PROGRAM.—

''(A) ESTABLISHMENT.—The Secretary concerned shall establish a pilot program to implement a certain percentage of approved projects involving the sale of merchantable timber using separate contracts for—

''(i) the harvesting or collection of merchantable timber; and

''(ii) the sale of the timber.

''(B) ANNUAL PERCENTAGES.—Under the pilot program, the Secretary concerned shall ensure that, on a nationwide basis, not less than the following percentage of all approved projects involving the sale of merchantable timber are implemented using separate contracts:

''(i) For fiscal year 2007, 25 percent.

''(ii) For fiscal year 2008, 35 percent.

''(iii) For fiscal year 2009, 45 percent.

''(iv) For each of fiscal years 2010 and 2011, 50 percent.

''(C) INCLUSION IN PILOT PROGRAM.—The decision whether to use separate contracts to implement a project involving the sale of merchantable timber shall be made by the Secretary concerned after the approval of the project under this title.

''(D) ASSISTANCE.—

''(i) IN GENERAL.—The Secretary concerned may use funds from any appropriated account available to the Secretary for the Federal land to assist in the administration of projects conducted under the pilot program.

''(ii) MAXIMUM AMOUNT OF ASSISTANCE.—The total amount obligated under this subparagraph may not exceed $1,000,000 for any fiscal year during which the pilot program is in effect.

''(E) REVIEW AND REPORT.—

''(i) INITIAL REPORT.—Not later than September 30, 2009, the Comptroller General shall submit to the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources of the Senate and the Committees on Agriculture and Natural Resources of the House of Representatives a report assessing the pilot program.

''(ii) ANNUAL REPORT.—The Secretary concerned shall submit to the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources of the Senate and the Committees on Agriculture and Natural Resources of the House of Representatives an annual report describing the results of the pilot program.

''(f) REQUIREMENTS FOR PROJECT FUNDS.—The Secretary shall ensure that at least 50 percent of all project funds be used for projects that are primarily dedicated—

''(1) to road maintenance, decommissioning, or obliteration; or

''(2) to restoration of streams and watersheds.

''SEC. 205. RESOURCE ADVISORY COMMITTEES.

''(a) ESTABLISHMENT AND PURPOSE OF RESOURCE ADVISORY COMMITTEES.—

''(1) ESTABLISHMENT.—The Secretary concerned shall establish and maintain resource advisory committees to perform the duties in subsection (b), except as provided in paragraph (4).

''(2) PURPOSE.—The purpose of a resource advisory committee shall be—

''(A) to improve collaborative relationships; and

''(B) to provide advice and recommendations to the land management agencies consistent with the purposes of this title.

''(3) ACCESS TO RESOURCE ADVISORY COMMITTEES.—To ensure that each unit of Federal land has access to a resource advisory committee, and that there is sufficient interest in participation on a committee to ensure that membership can be balanced in terms of the points of view represented and the functions to be performed, the Secretary concerned may, establish resource advisory committees for part of, or 1 or more, units of Federal land.

''(4) EXISTING ADVISORY COMMITTEES.—

''(A) IN GENERAL.—An advisory committee that meets the requirements of this section, a resource advisory committee established before September 29, 2006, or an advisory committee determined by the Secretary concerned before September 29, 2006, to meet the requirements of this section may be deemed by the Secretary concerned to be a resource advisory committee for the purposes of this title.

''(B) CHARTER.—A charter for a committee described in subparagraph (A) that was filed on or before September 29, 2006, shall be considered to be filed for purposes of this Act.

''(C) BUREAU OF LAND MANAGEMENT ADVISORY COMMITTEES.—The Secretary of the Interior may deem a resource advisory committee meeting the requirements of subpart 1784 of part 1780 of title 43, Code of Federal Regulations, as a resource advisory committee for the purposes of this title.

''(b) DUTIES.—A resource advisory committee shall—

''(1) review projects proposed under this title by participating counties and other persons;

''(2) propose projects and funding to the Secretary concerned under section 203;

''(3) provide early and continuous coordination with appropriate land management agency officials in recommending projects consistent with purposes of this Act under this title;

''(4) provide frequent opportunities for citizens, organizations, tribes, land management agencies, and other interested parties to participate openly and meaningfully, beginning at the early stages of the project development process under this title;

''(5)(A) monitor projects that have been approved under section 204; and

''(B) advise the designated Federal official on the progress of the monitoring efforts under subparagraph (A); and

''(6) make recommendations to the Secretary concerned for any appropriate changes or adjustments to the projects being monitored by the resource advisory committee.

''(c) APPOINTMENT BY THE SECRETARY.—

''(1) APPOINTMENT AND TERM.—

''(A) IN GENERAL.—The Secretary concerned, shall appoint the members of resource advisory committees for a term of 4 years beginning on the date of appointment.

''(B) REAPPOINTMENT.—The Secretary concerned may reappoint members to subsequent 4-year terms.

''(2) BASIC REQUIREMENTS.—The Secretary concerned shall ensure that each resource advisory committee established meets the requirements of subsection (d).

''(3) INITIAL APPOINTMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary concerned shall make initial appointments to the resource advisory committees.

''(4) VACANCIES.—The Secretary concerned shall make appointments to fill vacancies on any resource advisory committee as soon as practicable after the vacancy has occurred.

''(5) COMPENSATION.—Members of the resource advisory committees shall not receive any compensation.

''(d) COMPOSITION OF ADVISORY COMMITTEE.—

''(1) NUMBER.—Each resource advisory committee shall be comprised of 15 members.

''(2) COMMUNITY INTERESTS REPRESENTED.—Committee members shall be representative of the interests of the following 3 categories:

''(A) 5 persons that—

''(i) represent organized labor or non-timber forest product harvester groups;

''(ii) represent developed outdoor recreation, off highway vehicle users, or commercial recreation activities;

''(iii) represent—

''(I) energy and mineral development interests; or

''(II) commercial or recreational fishing interests;

''(iv) represent the commercial timber industry; or

''(v) hold Federal grazing or other land use permits, or represent nonindustrial private forest land owners, within the area for which the committee is organized.

''(B) 5 persons that represent—

''(i) nationally recognized environmental organizations;

''(ii) regionally or locally recognized environmental organizations;

''(iii) dispersed recreational activities;

''(iv) archaeological and historical interests; or

''(v) nationally or regionally recognized wild horse and burro interest groups, wildlife or hunting organizations, or watershed associations.

''(C) 5 persons that—

''(i) hold State elected office (or a designee);

''(ii) hold county or local elected office;

''(iii) represent American Indian tribes within or adjacent to the area for which the committee is organized;

''(iv) are school officials or teachers; or

''(v) represent the affected public at large.

''(3) BALANCED REPRESENTATION.—In appointing committee members from the 3 categories in paragraph (2), the Secretary concerned shall provide for balanced and broad representation from within each category.

''(4) GEOGRAPHIC DISTRIBUTION.—The members of a resource advisory committee shall reside within the State in which the committee has jurisdiction and, to extent practicable, the Secretary concerned shall ensure local representation in each category in paragraph (2).

''(5) CHAIRPERSON.—A majority on each resource advisory committee shall select the chairperson of the committee.

''(e) APPROVAL PROCEDURES.—

''(1) IN GENERAL.—Subject to paragraph (3), each resource advisory committee shall establish procedures for proposing projects to the Secretary concerned under this title.

''(2) QUORUM.—A quorum must be present to constitute an official meeting of the committee.

''(3) APPROVAL BY MAJORITY OF MEMBERS.—A project may be proposed by a resource advisory committee to the Secretary concerned under section 203(a), if the project has been approved by a majority of members of the committee from each of the 3 categories in subsection (d)(2).

''(f) OTHER COMMITTEE AUTHORITIES AND REQUIREMENTS.—

''(1) STAFF ASSISTANCE.—A resource advisory committee may submit to the Secretary concerned a request for periodic staff assistance from Federal employees under the jurisdiction of the Secretary.

''(2) MEETINGS.—All meetings of a resource advisory committee shall be announced at least 1 week in advance in a local newspaper of record and shall be open to the public.

''(3) RECORDS.—A resource advisory committee shall maintain records of the meetings of the committee and make the records available for public inspection.

''SEC. 206. USE OF PROJECT FUNDS.

''(a) AGREEMENT REGARDING SCHEDULE AND COST OF PROJECT.—

''(1) AGREEMENT BETWEEN PARTIES.—The Secretary concerned may carry out a project submitted by a resource advisory committee under section 203(a) using project funds or other funds described in section 203(a)(2), if, as soon as practicable after the issuance of a decision document for the project and the exhaustion of all administrative appeals and judicial review of the project decision, the Secretary concerned and the resource advisory committee enter into an agreement addressing, at a minimum, the following:

''(A) The schedule for completing the project.

''(B) The total cost of the project, including the level of agency overhead to be assessed against the project.

''(C) For a multiyear project, the estimated cost of the project for each of the fiscal years in which it will be carried out.

''(D) The remedies for failure of the Secretary concerned to comply with the terms of the agreement consistent with current Federal law.

''(2) LIMITED USE OF FEDERAL FUNDS.—The Secretary concerned may decide, at the sole discretion of the Secretary concerned, to cover the costs of a portion of an approved project using Federal funds appropriated or otherwise available to the Secretary for the same purposes as the project.

''(b) TRANSFER OF PROJECT FUNDS.—

''(1) INITIAL TRANSFER REQUIRED.—As soon as practicable after the agreement is reached under subsection (a) with regard to a project to be funded in whole or in part using project funds, or other funds described in section 203(a)(2), the Secretary concerned shall transfer to the applicable unit of National Forest System land or Bureau of Land Management District an amount of project funds equal to—

''(A) in the case of a project to be completed in a single fiscal year, the total amount specified in the agreement to be paid using project funds, or other funds described in section 203(a)(2); or

''(B) in the case of a multiyear project, the amount specified in the agreement to be paid using project funds, or other funds described in section 203(a)(2) for the first fiscal year.

''(2) CONDITION ON PROJECT COMMENCEMENT.—The unit of National Forest System land or Bureau of Land Management District concerned, shall not commence a project until the project funds, or other funds described in section 203(a)(2) required to be transferred under paragraph (1) for the project, have been made available by the Secretary concerned.

''(3) SUBSEQUENT TRANSFERS FOR MULTIYEAR PROJECTS.—

''(A) IN GENERAL.—For the second and subsequent fiscal years of a multiyear project to be funded in whole or in part using project funds, the unit of National Forest System land or Bureau of Land Management District concerned shall use the amount of project funds required to continue the project in that fiscal year according to the agreement entered into under subsection (a).

''(B) SUSPENSION OF WORK.—The Secretary concerned shall suspend work on the project if the project funds required by the agreement in the second and subsequent fiscal years are not available.

''SEC. 207. AVAILABILITY OF PROJECT FUNDS.

''(a) SUBMISSION OF PROPOSED PROJECTS TO OBLIGATE FUNDS.—By September 30 of each fiscal year through fiscal year 2011, a resource advisory committee shall submit to the Secretary concerned pursuant to section 203(a)(1) a sufficient number of project proposals that, if approved, would result in the obligation of at least the full amount of the project funds reserved by the participating county in the preceding fiscal year.

''(b) USE OR TRANSFER OF UNOBLIGATED FUNDS.—Subject to section 208, if a resource advisory committee fails to comply with subsection (a) for a fiscal year, any project funds reserved by the participating county in the preceding fiscal year and remaining unobligated shall be available for use as part of the project submissions in the next fiscal year.

''(c) EFFECT OF REJECTION OF PROJECTS.—Subject to section 208, any project funds reserved by a participating county in the preceding fiscal year that are unobligated at the end of a fiscal year because the Secretary concerned has rejected one or more proposed projects shall be available for use as part of the project submissions in the next fiscal year.

''(d) EFFECT OF COURT ORDERS.—

''(1) IN GENERAL.—If an approved project under this Act is enjoined or prohibited by a Federal court, the Secretary concerned shall return the unobligated project funds related to the project to the participating county or counties that reserved the funds.

''(2) EXPENDITURE OF FUNDS.—The returned funds shall be available for the county to expend in the same manner as the funds reserved by the county under subparagraph (B) or (C)(i) of section 102(d)(1).

''SEC. 208. TERMINATION OF AUTHORITY.

''(a) IN GENERAL.—The authority to initiate projects under this title shall terminate on September 30, 2011.

''(b) DEPOSITS IN TREASURY.—Any project funds not obligated by September 30, 2012, shall be deposited in the Treasury of the United States.

''TITLE III—COUNTY FUNDS

''SEC. 301. DEFINITIONS.

''In this title:

''(1) COUNTY FUNDS.—The term 'county funds' means all funds an eligible county elects under section 102(d) to reserve for expenditure in accordance with this title.

''(2) PARTICIPATING COUNTY.—The term 'participating county' means an eligible county that elects under section 102(d) to expend a portion of the Federal funds received under section 102 in accordance with this title.

''SEC. 302. USE.

''(a) AUTHORIZED USES.—A participating county, including any applicable agencies of the participating county, shall use county funds, in accordance with this title, only—

''(1) to carry out activities under the Firewise Communities program to provide to homeowners in fire-sensitive ecosystems education on, and assistance with implementing, techniques in home siting, home construction, and home landscaping that can increase the protection of people and property from wildfires;

''(2) to reimburse the participating county for search and rescue and other emergency services, including firefighting, that are—

''(A) performed on Federal land after the date on which the use was approved under subsection (b);

''(B) paid for by the participating county; and

''(3) to develop community wildfire protection plans in coordination with the appropriate Secretary concerned.

''(b) PROPOSALS.—A participating county shall use county funds for a use described in subsection (a) only after a 45-day public comment period, at the beginning of which the participating county shall—

''(1) publish in any publications of local record a proposal that describes the proposed use of the county funds; and

''(2) submit the proposal to any resource advisory committee established under section 205 for the participating county.

''SEC. 303. CERTIFICATION.

''(a) IN GENERAL.—Not later than February 1 of the year after the year in which any county funds were expended by a participating county, the appropriate official of the participating county shall submit to the Secretary concerned a certification that the county funds expended in the applicable year have been used for the uses authorized under section 302(a), including a description of the amounts expended and the uses for which the amounts were expended.

''(b) REVIEW.—The Secretary concerned shall review the certifications submitted under subsection (a) as the Secretary concerned determines to be appropriate.

''SEC. 304. TERMINATION OF AUTHORITY.

''(a) IN GENERAL.—The authority to initiate projects under this title terminates on September 30, 2011.

''(b) AVAILABILITY.—Any county funds not obligated by September 30, 2012, shall be returned to the Treasury of the United States.

''TITLE IV—MISCELLANEOUS PROVISIONS

''SEC. 401. REGULATIONS.

''The Secretary of Agriculture and the Secretary of the Interior shall issue regulations to carry out the purposes of this Act.

''SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as are necessary to carry out this Act for each of fiscal years 2007 through 2011.

''SEC. 403. TREATMENT OF FUNDS AND REVENUES.

''(a) RELATION TO OTHER APPROPRIATIONS.—Funds made available under section 402 and funds made available to a Secretary concerned under section 206 shall be in addition to any other annual appropriations for the Forest Service and the Bureau of Land Management.

''(b) DEPOSIT OF REVENUES AND OTHER FUNDS.—All revenues generated from projects pursuant to title II, including any interest accrued from the revenues, shall be deposited in the Treasury of the United States.''.

(b) FOREST RECEIPT PAYMENTS TO ELIGIBLE STATES AND COUNTIES.—

(1) ACT OF MAY 23, 1908.—The sixth paragraph under the heading ''forest service'' in the Act of May 23, 1908 (16 U.S.C. 500) is amended in the first sentence by striking ''twenty-five percentum'' and all that follows through ''shall be paid'' and inserting the following: ''an amount equal to the annual average of 25 percent of all amounts received for the applicable fiscal year and each of the preceding 6 fiscal years from each national forest shall be paid''.

(2) WEEKS LAW.—Section 13 of the Act of March 1, 1911 (commonly known as the ''Weeks Law'') (16 U.S.C. 500) is amended in the first sentence by striking ''twenty-five percentum'' and all that follows through ''shall be paid'' and inserting the following: ''an amount equal to the annual average of 25 percent of all amounts received for the applicable fiscal year and each of the preceding 6 fiscal years from each national forest shall be paid''.

(c) PAYMENTS IN LIEU OF TAXES.—

(1) IN GENERAL.—Section 6906 of title 31, United States Code, is amended to read as follows:

''§ 6906. Funding

''For each of fiscal years 2008 through 2012—

''(1) each county or other eligible unit of local government shall be entitled to payment under this chapter; and

''(2) sums shall be made available to the Secretary of the Interior for obligation or expenditure in accordance with this chapter.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 69 of title 31, United States Code, is amended by striking the item relating to section 6906 and inserting the following:

''6906. Funding.''.

(3) BUDGET SCOREKEEPING.—

(A) IN GENERAL.—Notwithstanding the Budget Scorekeeping Guidelines and the accompanying list of programs and accounts set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217, the amendment made by paragraph (1) shall be treated in the baseline for purposes of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907) (as in effect before September 30, 2002), by the Chairpersons of the Committee on the Budget of the House of Representatives and the Committee on the Budget of the Senate, as appropriate, for purposes of budget enforcement in the House of Representatives and the Senate, and under the Congressional Budget Act of 1974 (2 U.S.C. 601 et seq.) as if Payment in Lieu of Taxes (14-1114-0-1-806) were an account designated as Appropriated Entitlements and Mandatories for Fiscal Year 1997 in the joint explanatory statement of the committee of conference accompanying Conference Report 105-217.

(B) EFFECTIVE DATE.—This paragraph shall—

(i) be effective beginning on the date of enactment of this Act; and

(ii) remain in effect for any fiscal year for which the entitlement in section 6906 of title 31, United States Code (as amended by paragraph (1)), applies.

SA 1705. Mr. KERRY (for himself, Ms. CANTWELL, and Mr. TESTER) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 177, after line 21, insert the following:

SEC. 279. SMALL BUSINESS EMERGENCY FUEL ASSISTANCE.

(a) SHORT TITLE.—This section may be cited as the ''Small Business Emergency Fuel Assistance Act of 2007''.

(b) EMERGENCY FUEL ASSISTANCE PROGRAM.—There is established within the Economic Development Administration of the Department of Commerce, an emergency assistance program for small businesses dependent on fuel.

(c) DECLARATION OF FUEL EMERGENCY.—

(1) BY THE SECRETARY.—The Secretary of Commerce may declare a severe fuel supply interruption for small businesses if—

(A) the retail price of gasoline in the United States is at least 60 percent higher than the 5-year rolling average retail price for 2 consecutive weeks; and

(B) the price differential continues to increase during the most recent week for which price information is available.

(2) BY A GOVERNOR.—If the Secretary does not declare a fuel emergency during a period that meets the criteria described in paragraph (1)—

(A) a Governor may certify that small businesses in the State have incurred economic injury as a result of a fuel interruption in the State;

(B) a Governor may request financial assistance through the program established under this section; and

(C) the Secretary shall provide the Governor with a written determination not later than 30 days after receiving a request under subparagraph (B).

(d) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary of Commerce is authorized to award grants to States under a declaration of fuel supply interruption in accordance with this section.

(2) IN GENERAL.—Subject to paragraph (3), the Secretary shall award grants to States, in accordance with an allocation formula established by the Secretary based on the pro rata share of each State of the total need among all States, as applicable, for emergency assistance for fuel interruption, as determined on the basis of—

(A) the number and percentage of qualifying small businesses operating within the State;

(B) the increase in the retail price of fuel in the State; and

(C) such other factors as the Secretary determines to be appropriate.

(3) ALLOCATION PLAN.—Each State shall establish, after giving notice to the public, an opportunity for public comment, and consideration of public comments received, an allocation plan for the distribution of financial assistance received under this subsection, which shall be submitted to the Secretary, shall be made available to the public by the State, and shall include—

(A) application requirements for qualifying small businesses seeking to receive assistance under this subsection, including a requirement that each application include—

(i) demonstration of need for assistance under this subsection;

(ii) a plan to decrease the total commercial energy usage of the small business through energy efficiency measures, such as those promoted through the Energy Star Program; and

(iii) if a small business has previously received assistance under this subsection, evidence that the small business has implemented the plan previously documented under clause (ii); and

(B) factors for selecting among small businesses that meet the application requirements, with preference given to applicants based on the percentage of operating costs expended on fuel.

(e) ELIGIBILITY.—A small business is eligible for a grant under this section if—

(1) the average gross receipts of the small business for the 3 preceding taxable years does not exceed $5,000,000; or

(2) the small business employed an average of more than 1 and fewer than 50 qualified employees on business days during the preceding taxable year.

(f) DEFINED TERM.—In this section, the term ''aggregate gross assets'' has the meaning given such term in section 1202(d)(2) of the Internal Revenue Code of 1986.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Commerce $100,000,000 for each of the fiscal years 2008 through 2012 to carry out this section.

SA 1706. Mr. KERRY (for himself and Ms. SNOWE) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 161, between lines 2 and 3, insert the following:

SEC. 269. SMALL BUSINESS ENERGY EFFICIENCY.

(a) DEFINITIONS.—In this section—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term ''association'' means the association of small business development centers established under section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A));

(3) the term ''disability'' has the meaning given that term in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

(4) the term ''electric utility'' has the meaning given that term in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602);

(5) the term ''on-bill financing'' means a low interest or no interest financing agreement between a small business concern and

an electric utility for the purchase or installation of equipment, under which the regularly scheduled payment of that small business concern to that electric utility is not reduced by the amount of the reduction in cost attributable to the new equipment and that amount is credited to the electric utility, until the cost of the purchase or installation is repaid;

(6) the term ''small business concern'' has the meaning given that term in section 3 of the Small Business Act (15 U.S.C. 636);

(7) the term ''small business development center'' means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648);

(8) the term ''telecommuting'' means the use of telecommunications to perform work functions under circumstances which reduce or eliminate the need to commute; and

(9) the term ''veteran'' has the meaning given that term in section 101 of title 38, United States Code.

(b) IMPLEMENTATION OF SMALL BUSINESS ENERGY EFFICIENCY PROGRAM.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Administrator shall promulgate final rules establishing the Government-wide program authorized under subsection (d) of section 337 of the Energy Policy and Conservation Act (42 U.S.C. 6307) that ensure compliance with that subsection by not later than 6 months after such date of enactment.

(2) PLAN.—Not later than 90 days after the date of enactment of this Act, the Administrator shall publish a detailed plan regarding how the Administrator will—

(A) assist small business concerns in becoming more energy efficient; and

(B) build on the Energy Star for Small Business Program of the Department of Energy and the Environmental Protection Agency.

(3) ASSISTANT ADMINISTRATOR FOR SMALL BUSINESS ENERGY POLICY.—

(A) IN GENERAL.—There is in the Administration an Assistant Administrator for Small Business Energy Policy, who shall be appointed by, and report to, the Administrator.

(B) DUTIES.—The Assistant Administrator for Small Business Energy Policy shall—

(i) oversee and administer the requirements under this subsection and section 337(d) of the Energy Policy and Conservation Act (42 U.S.C. 6307(d)); and

(ii) promote energy efficiency efforts for small business concerns and reduce energy costs of small business concerns.

(4) REPORTS.—The Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives an annual report on the progress of the Administrator in encouraging small business concerns to become more energy efficient, including data on the rate of use of the Small Business Energy Clearinghouse established under section 337(d)(4) of the Energy Policy and Conservation Act (42 U.S.C. 6307(d)(4)).

(c) SMALL BUSINESS ENERGY EFFICIENCY.—

(1) AUTHORITY.—The Administrator shall establish a Small Business Energy Efficiency Pilot Program (in this subsection referred to as the ''Efficiency Pilot Program'') to provide energy efficiency assistance to small business concerns through small business development centers.

(2) SMALL BUSINESS DEVELOPMENT CENTERS.—

(A) IN GENERAL.—In carrying out the Efficiency Pilot Program, the Administrator shall enter into agreements with small business development centers under which such centers shall—

(i) provide access to information and resources on energy efficiency practices, including on-bill financing options;

(ii) conduct training and educational activities;

(iii) offer confidential, free, one-on-one, in-depth energy audits to the owners and operators of small business concerns regarding energy efficiency practices;

(iv) give referrals to certified professionals and other providers of energy efficiency assistance who meet such standards for educational, technical, and professional competency as the Administrator shall establish; and

(v) act as a facilitator between small business concerns, electric utilities, lenders, and the Administration to facilitate on-bill financing arrangements.

(B) REPORTS.—Each small business development center participating in the Efficiency Pilot Program shall submit to the Administrator and the Administrator of the Environmental Protection Agency an annual report that includes—

(i) a summary of the energy efficiency assistance provided by that center under the Efficiency Pilot Program;

(ii) the number of small business concerns assisted by that center under the Efficiency Pilot Program;

(iii) statistics on the total amount of energy saved as a result of assistance provided by that center under the Efficiency Pilot Program; and

(iv) any additional information determined necessary by the Administrator, in consultation with the association.

(C) REPORTS TO CONGRESS.—Not later than 60 days after the date on which all reports under subparagraph (B) relating to a year are submitted, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report summarizing the information regarding the Efficiency Pilot Program submitted by small business development centers participating in that program.

(3) ELIGIBILITY.—A small business development center shall be eligible to participate in the Efficiency Pilot Program only if that center is certified under section 21(k)(2) of the Small Business Act (15 U.S.C. 648(k)(2)).

(4) SELECTION OF PARTICIPATING STATE PROGRAMS.—

(A) GROUPINGS.—

(i) SELECTION OF PROGRAMS.—The Administrator shall select the small business development center programs of 2 States from each of the groupings of States described in clauses (ii) through (xi) to participate in the pilot program established under this subsection.

(ii) GROUP 1.—Group 1 shall consist of Maine, Massachusetts, New Hampshire, Connecticut, Vermont, and Rhode Island.

(iii) GROUP 2.—Group 2 shall consist of New York, New Jersey, Puerto Rico, and the Virgin Islands.

(iv) GROUP 3.—Group 3 shall consist of Pennsylvania, Maryland, West Virginia, Virginia, the District of Columbia, and Delaware.

(v) GROUP 4.—Group 4 shall consist of Georgia, Alabama, North Carolina, South Carolina, Mississippi, Florida, Kentucky, and Tennessee.

(vi) GROUP 5.—Group 5 shall consist of Illinois, Ohio, Michigan, Indiana, Wisconsin, and Minnesota.

(vii) GROUP 6.—Group 6 shall consist of Texas, New Mexico, Arkansas, Oklahoma, and Louisiana.

(viii) GROUP 7.—Group 7 shall consist of Missouri, Iowa, Nebraska, and Kansas.

(ix) GROUP 8.—Group 8 shall consist of Colorado, Wyoming, North Dakota, South Dakota, Montana, and Utah.

(x) GROUP 9.—Group 9 shall consist of California, Guam, American Samoa, Hawaii, Nevada, and Arizona.

(xi) GROUP 10.—Group 10 shall consist of Washington, Alaska, Idaho, and Oregon.

(5) MATCHING REQUIREMENT.—Subparagraphs (A) and (B) of section 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4)) shall apply to assistance made available under the Efficiency Pilot Program.

(6) GRANT AMOUNTS.—Each small business development center selected to participate in the Efficiency Pilot Program under paragraph (4) shall be eligible to receive a grant in an amount equal to—

(A) not less than $100,000 in each fiscal year; and

(B) not more than $300,000 in each fiscal year.

(7) EVALUATION AND REPORT.—The Comptroller General of the United States shall—

(A) not later than 30 months after the date of disbursement of the first grant under the Efficiency Pilot Program, initiate an evaluation of that pilot program; and

(B) not later than 6 months after the date of the initiation of the evaluation under subparagraph (A), submit to the Administrator, the Committee on Small Business and Entrepreneurship of the Senate, and the Committee on Small Business of the House of Representatives, a report containing—

(i) the results of the evaluation; and

(ii) any recommendations regarding whether the Efficiency Pilot Program, with or without modification, should be extended to include the participation of all small business development centers.

(8) GUARANTEE.—The Administrator may guarantee the timely payment of a loan made to a small business concern through an on-bill financing agreement on such terms and conditions as the Administrator shall establish through a formal rule making, after providing notice and an opportunity for comment.

(9) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There are authorized to be appropriated to carry out this subsection—

(i) $5,000,000 for the first fiscal year beginning after the date of enactment of this Act; and

(ii) $5,000,000 for each of the 3 fiscal years following the fiscal year described in clause (i).

(B) LIMITATION ON USE OF OTHER FUNDS.—The Administrator may carry out the Efficiency Pilot Program only with amounts appropriated in advance specifically to carry out this subsection.

(10) TERMINATION.—The authority under this subsection shall terminate 4 years after the date of disbursement of the first grant under the Efficiency Pilot Program.

(d) SMALL BUSINESS TELECOMMUTING.—

(1) PILOT PROGRAM.—

(A) IN GENERAL.—In accordance with this subsection, the Administrator shall conduct, in not more than 5 of the regions of the Administration, a pilot program to provide information regarding telecommuting to employers that are small business concerns and to encourage such employers to offer telecommuting options to employees (in this subsection referred to as the ''Telecommuting Pilot Program'').

(B) SPECIAL OUTREACH TO INDIVIDUALS WITH DISABILITIES.—In carrying out the Telecommuting Pilot Program, the Administrator shall make a concerted effort to provide information to—

(i) small business concerns owned by or employing individuals with disabilities, particularly veterans who are individuals with disabilities;

(ii) Federal, State, and local agencies having knowledge and expertise in assisting individuals with disabilities, including veterans who are individuals with disabilities; and

(iii) any group or organization, the primary purpose of which is to aid individuals with disabilities or veterans who are individuals with disabilities.

(C) PERMISSIBLE ACTIVITIES.—In carrying out the Telecommuting Pilot Program, the Administrator may—

(i) produce educational materials and conduct presentations designed to raise awareness in the small business community of the benefits and the ease of telecommuting;

(ii) conduct outreach—

(I) to small business concerns that are considering offering telecommuting options; and

(II) as provided in subparagraph (B); and

(iii) acquire telecommuting technologies and equipment to be used for demonstration purposes.

(D) SELECTION OF REGIONS.—In determining which regions will participate in the Telecommuting Pilot Program, the Administrator shall give priority consideration to regions in which Federal agencies and private-sector employers have demonstrated a strong regional commitment to telecommuting.

(2) REPORT TO CONGRESS.—Not later than 2 years after the date on which funds are first appropriated to carry out this subsection, the Administrator shall transmit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing the results of an evaluation of the Telecommuting Pilot Program and any recommendations regarding whether the pilot program, with or without modification, should be extended to include the participation of all regions of the Administration.

(3) TERMINATION.—The Telecommuting Pilot Program shall terminate 4 years after the date on which funds are first appropriated to carry out this subsection.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administration $5,000,000 to carry out this subsection.

(e) ENCOURAGING INNOVATION IN ENERGY EFFICIENCY.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

''(z) ENCOURAGING INNOVATION IN ENERGY EFFICIENCY.—

''(1) FEDERAL AGENCY ENERGY-RELATED PRIORITY.—In carrying out its duties under this section to SBIR and STTR solicitations by Federal agencies, the Administrator shall—

''(A) ensure that such agencies give high priority to small business concerns that participate in or conduct energy efficiency or renewable energy system research and development projects; and

''(B) include in the annual report to Congress under subsection (b)(7) a determination of whether the priority described in subparagraph (A) is being carried out.

''(2) CONSULTATION REQUIRED.—The Administrator shall consult with the heads of other Federal agencies and departments in determining whether priority has been given to small business concerns that participate in or conduct energy efficiency or renewable energy system research and development projects, as required by this section.

''(3) GUIDELINES.—The Administrator shall, as soon as is practicable after the date of enactment of this subsection, issue guidelines and directives to assist Federal agencies in meeting the requirements of this section.

''(4) DEFINITIONS.—In this subsection—

''(A) the term 'biomass'—

''(i) means any organic material that is available on a renewable or recurring basis, including—

''(I) agricultural crops;

''(II) trees grown for energy production;

''(III) wood waste and wood residues;

''(IV) plants (including aquatic plants and grasses);

''(V) residues;

''(VI) fibers;

''(VII) animal wastes and other waste materials; and

''(VIII) fats, oils, and greases (including recycled fats, oils, and greases); and

''(ii) does not include—

''(I) paper that is commonly recycled; or

''(II) unsegregated solid waste;

''(B) the term 'energy efficiency project' means the installation or upgrading of equipment that results in a significant reduction in energy usage; and

''(C) the term 'renewable energy system' means a system of energy derived from—

''(i) a wind, solar, biomass (including biodiesel), or geothermal source; or

''(ii) hydrogen derived from biomass or water using an energy source described in clause (i).''.

SA 1707. Mr. KERRY submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy techniques, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—ENERGY EMERGENCIES

SEC. __01. FINDINGS.

Congress finds that—

(1) a significant number of small business concerns in the United States, including nonfarm and agricultural producers, use heating oil, natural gas, propane, or kerosene to heat their facilities and for other purposes;

(2) a significant number of small business concerns in the United States sell, distribute, market, or otherwise engage in commerce directly related to heating oil, natural gas, propane, and kerosene; and

(3) significant increases in the price of heating oil, natural gas, propane, or kerosene—

(A) disproportionately harm small business concerns dependent on those fuels or that use, sell, or distribute those fuels in the ordinary course of their business, and can cause them substantial economic injury;

(B) can negatively affect the national economy and regional economies;

(C) occurred during the winters of 1983 to 1984, 1988 to 1989, 1996 to 1997, 1999 to 2000, 2000 to 2001, and 2004 to 2005; and

(D) can be caused by a host of factors, including international conflicts, global or regional supply difficulties, weather conditions, insufficient inventories, refinery capacity, transportation, and competitive structures in the markets, causes that are often unforeseeable to, and beyond the control of, those who own and operate small business concerns.

SEC. __02. SMALL BUSINESS ENERGY EMERGENCY DISASTER LOAN PROGRAM.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after paragraph (3) the following:

''(4) ENERGY EMERGENCIES.—

''(A) DEFINITIONS.—In this paragraph—

''(i) the term 'base price index' means the moving average of the closing unit price on the New York Mercantile Exchange for heating oil, natural gas, or propane for the 10 days, in each of the most recent 2 preceding years, which correspond to the trading days described in clause (ii);

''(ii) the term 'current price index' means the moving average of the closing unit price on the New York Mercantile Exchange, for the 10 most recent trading days, for contracts to purchase heating oil, natural gas, or propane during the subsequent calendar month, commonly known as the 'front month';

''(iii) the term 'heating fuel' means heating oil, natural gas, propane, or kerosene; and

''(iv) the term 'significant increase' means—

''(I) with respect to the price of heating oil, natural gas, or propane, any time the current price index exceeds the base price index by not less than 40 percent; and

''(II) with respect to the price of kerosene, any increase which the Administrator, in consultation with the Secretary of Energy, determines to be significant.

''(B) AUTHORIZATION.—The Administration may make such loans, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of a significant increase in the price of heating fuel occurring on or after October 1, 2004.

''(C) INTEREST RATE.—Any loan or guarantee extended under this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

''(D) MAXIMUM AMOUNT.—No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed $1,500,000, unless such borrower constitutes a major source of employment in its surrounding area, as determined by the Administrator, in which case the Administrator, in the discretion of the Administrator, may waive the $1,500,000 limitation.

''(E) DECLARATIONS.—For purposes of assistance under this paragraph—

''(i) a declaration of a disaster area based on conditions specified in this paragraph shall be required, and shall be made by the President or the Administrator; or

''(ii) if no declaration has been made under clause (i), the Governor of a State in which a significant increase in the price of heating fuel has occurred may certify to the Administration that small business concerns have suffered economic injury as a result of such increase and are in need of financial assistance which is not otherwise available on reasonable terms in that State, and upon receipt of such certification, the Administration may make such loans as would have been available under this paragraph if a disaster declaration had been issued.

''(F) USE OF FUNDS.—Notwithstanding any other provision of law, loans made under this paragraph may be used by a small business concern described in subparagraph (B) to convert from the use of heating fuel to a renewable or alternative energy source, including agriculture and urban waste, geothermal

energy, cogeneration, solar energy, wind energy, or fuel cells.''.

(b) CONFORMING AMENDMENTS RELATING TO HEATING FUEL.—Section 3(k) of the Small Business Act (15 U.S.C. 632(k)) is amended—

(1) by inserting '', significant increases in the price of heating fuel'' after ''civil disorders''; and

(2) by inserting ''other'' before ''economic''.

(c) EFFECTIVE PERIOD.—The amendments made by this section shall apply during the 4-year period beginning on the date on which guidelines are published by the Administrator of the Small Business Administration under section __04.

SEC. __03. AGRICULTURAL PRODUCER EMERGENCY LOANS.

(a) IN GENERAL.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) in the first sentence—

(A) by striking ''operations have'' and inserting ''operations (i) have''; and

(B) by inserting before '': *Provided*,'' the following: '', or (ii)(I) are owned or operated by such an applicant that is also a small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), and (II) have suffered or are likely to suffer substantial economic injury on or after October 1, 2004, as the result of a significant increase in energy costs or input costs from energy sources occurring on or after October 1, 2004, in connection with an energy emergency declared by the President or by the Secretary'';

(2) in the third sentence, by inserting before the period at the end the following: ''or by an energy emergency declared by the President or by the Secretary''; and

(3) in the fourth sentence—

(A) by striking ''or natural disaster'' each place such term appears and inserting '', natural disaster, or energy emergency'';

(B) by inserting ''or declaration'' after ''emergency designation''; and

(C) by inserting ''or energy emergency'' after ''such natural disaster''.

(b) FUNDING.—Funds available on the date of the enactment of this Act for emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) shall be available to carry out the amendments made by subsection (a) to meet the needs resulting from energy emergencies.

(c) EFFECTIVE PERIOD.—The amendments made by this section shall apply during the 4-year period beginning on the date on which guidelines are published by the Secretary of Agriculture under section __04.

SEC. __04. GUIDELINES AND RULEMAKING.

(a) GUIDELINES.—Not later than 30 days after the date of the enactment of this Act, the Administrator of the Small Business Administration and the Secretary of Agriculture shall each issue such guidelines as the Administrator or the Secretary, as applicable, determines to be necessary to carry out this title and the amendments made by this title.

(b) RULEMAKING.—Not later than 30 days after the date of enactment of this Act, the Administrator, after consultation with the Secretary of Energy, shall promulgate regulations specifying the method for determining a significant increase in the price of kerosene under section 7(b)(4)(A)(iv)(II) of the Small Business Act, as added by section __02.

SEC. __05. REPORTS.

(a) SMALL BUSINESS ADMINISTRATION.—Not later than 12 months after the date on which the Administrator issues guidelines under section __04, and annually thereafter until the date that is 12 months after the end of the effective period of section 7(b)(4) of the Small Business Act, as added section __02, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, a report on the effectiveness of the assistance made available under such section, including—

(1) the number of small business concerns that applied for a loan under such section and the number of those that received such loans;

(2) the dollar value of those loans;

(3) the States in which the small business concerns that received such loans are located;

(4) the type of heating fuel or energy that caused the significant increase in the cost for the participating small business concerns; and

(5) recommendations for ways to improve the assistance provided under such section, if any.

(b) DEPARTMENT OF AGRICULTURE.—

(1) IN GENERAL.—Not later than 1 year after the date on which the Secretary of Agriculture issues guidelines under section __04, and annually thereafter until the date that is 1 year after the end of the effective period of the amendments made to section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) by this title, the Secretary shall submit a report to the committees listed in paragraph (2) that—

(A) describes the effectiveness of the assistance made available under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)); and

(B) contains recommendations for ways to improve the assistance provided under such section 321(a), if any.

(2) REPORT RECIPIENTS.—The report described in paragraph (1) shall be submitted to—

(A) the Committee on Small Business and Entrepreneurship of the Senate;

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(C) the Committee on Small Business of the House of Representatives; and

(D) the Committee on Agriculture of the House of Representatives.

SA 1708. Mr. TESTER (for himself, Mr. COLEMAN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 177, after line 21, add the following:

SEC. 279. ENERGY EFFICIENT SCHOOLS.

(a) DEFINITIONS.—In this section:

(1) BASELINE ENERGY EFFICIENCY STANDARD.—The term ''baseline energy efficiency standard'' means—

(A) in the case of new construction of a building, the most recent version of applicable provisions of the International Energy Conservation Code; and

(B) in the case of renovation of a building, a standard to be calculated based on a 3-year, weather-normalized average for the building.

(2) HIGH-PERFORMANCE SCHOOL BUILDING.—The term ''high-performance school building'' means a school building that integrates and optimizes all major high-performance building attributes, including energy and water efficiency, renewable energy, indoor air quality, durability, lifecycle cost performance, and occupant productivity.

(3) RENEWABLE ENERGY.—The term ''renewable energy'' means—

(A) energy produced using solar, wind, biomass, ocean, geothermal, or hydroelectric energy; or

(B) heating and cooling from a ground source heat pump.

(4) SCHOOL.—The term ''school'' means an accredited public school that is—

(A) subject to the authority of a State education agency; and

(B)(i) an elementary school or secondary school (as those terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)); or

(ii) a BIA school (within the meaning of section 9101(26)(C) of that Act (20 U.S.C. 7801(26)(C))).

(5) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)).

(6) STATE ENERGY OFFICE.—The term ''State energy office'' means—

(A) the State agency that is responsible for developing State energy conservation plans under section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322); or

(B) if an agency described in subparagraph (A) does not exist in a State, a State agency designated by the Governor of the State.

(b) ESTABLISHMENT OF PROGRAM.—There is established in the Department of Energy a program, to be known as the ''High-Performance Schools Program'', under which the Secretary may provide grants to State energy offices to assist school districts in the State—

(1) to improve the energy efficiency of, and use of renewable energy in, school buildings;

(2) to educate students regarding—

(A) energy consumption in buildings; and

(B) the benefits of energy efficiency and renewable energy;

(3) to administer the program; and

(4) to promote participation in the program.

(c) CONDITIONS OF RECEIPT.—As a condition of receiving a grant under this section, a State energy office shall agree to use the grant only to provide assistance to school districts in the State that demonstrate to the satisfaction of the State energy office—

(1) financial need with respect to the construction of new or renovated high-performance school buildings;

(2) a commitment to use the grant funds to develop high-performance school buildings, in accordance with a plan that the State energy office, in consultation with the State educational agency, determines to be feasible and appropriate to achieve the purposes for which the grant is provided;

(3) a commitment to educate students and the public regarding the energy efficiency and renewable energy uses relating to the program; and

(4) that the school district has conducted an energy audit satisfactory to the State energy office of the baseline energy consumption of the district.

(d) ADMINISTRATION.—

(1) SELECTION OF PROJECTS.—In selecting school districts to receive funds provided under this section, the Secretary shall—

(A) give priority to States that carry out, or propose to carry out, projects that—

(i) achieve maximum increases in energy efficiency; and

(ii) achieve maximum cost savings as a result of that increased efficiency; and

(B) ensure geographical diversity of distribution of funds throughout the United States, to the maximum extent practicable.

(2) USE OF GRANTS BY STATE ENERGY OFFICES.—A State energy office may use a portion of a grant received under this section—

(A) to evaluate compliance by school districts in the State with the requirements of this section;

(B) to develop and conduct programs for school board members, school personnel, architects, engineers, and other interested persons to advance the concepts of high-performance school buildings;

(C) to obtain technical services and assistance in planning and designing high-performance school buildings;

(D) to collect and monitor data relating to high-performance school building projects; or

(E) for promotional and marketing activities.

(e) SUPPLEMENTING GRANT FUNDS.—Each State energy office that receives a grant under this section shall encourage each school district provided funds by the State energy office to supplement, to the maximum extent practicable, the funds using funds from other sources in the implementation of the plans of the school districts.

(f) OTHER FUNDS.—Of amounts made available to carry out this section, the Secretary may reserve an amount equal to the lesser of 10 percent of the amounts and $500,000 for a fiscal year to provide assistance to State energy offices with respect to the coordination and implementation of the program under this section, including the development of reference materials—

(1) to clarify and support the purposes of this section; and

(2) to increase the quantity in the States of high-performance school buildings.

(g) REPORT.—Not later than 3 years after the date on which the Secretary provides the initial grant to a State energy office pursuant to this section, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that describes, with respect to each school that uses funds provided under this section—

(1) the projected quantity of energy savings of the school, as compared to the baseline energy efficiency standard applicable to a similar school that does not use—

(A) energy efficient technologies; or

(B) renewable energy;

(2) the projected amount of savings relating to reduced operation and maintenance costs due to use by the school of—

(A) any energy efficiency technology; or

(B) renewable energy; and

(3) the level of participation of students and faculty members of the school in each applicable energy efficiency and renewable energy technology.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2008 through 2012.

SA 1709. Mr. ENZI proposed an amendment to the bill S. 277, to modify the boundaries of Grand Teton National Park to include certain land within the GT Park Subdivision, and for other purposes; as follows:

Strike section 4 and insert the following:

SEC. 4. CRAIG THOMAS DISCOVERY AND VISITOR CENTER.

(a) FINDINGS.—Congress finds that—

(1) Craig Thomas was raised on a ranch just outside of Cody, Wyoming, near Yellowstone National Park and Grand Teton National Park, where he—

(A) began a lifelong association with those parks; and

(B) developed a deep and abiding dedication to the values of the public land of the United States;

(2) during his 18-year tenure in Congress, including service in both the Senate and the House of Representatives, Craig Thomas forged a distinguished legislative record on issues as diverse as public land management, agriculture, fiscal responsibility, and rural health care;

(3) as Chairman and Ranking Member of the National Parks Subcommittee of the Committee on Energy and Natural Resources of the Senate and a frequent visitor to many units of the National Park System, including Yellowstone National Park and Grand Teton National Park, Craig Thomas was a strong proponent for ensuring that people of all ages and abilities had a wide range of opportunities to learn more about the natural and cultural heritage of the United States;

(4) Craig Thomas authored legislation to provide critical funding and management reforms to protect units of the National Park System into the 21st century, ensuring quality visits to units of the National Park System and the protection of natural and cultural resources;

(5) Craig Thomas strongly supported public-private partnerships and collaboration between the National Park Service and other organizations that foster new opportunities for providing visitor services while encouraging greater citizen involvement in the stewardship of units of the National Park System;

(6) Craig Thomas was instrumental in obtaining the Federal share for a public-private partnership with the Grand Teton National Park Foundation and the Grand Teton Natural History Association to construct a new discovery and visitor center at Grand Teton National Park;

(7) on June 4, 2007, Craig Thomas passed away after battling cancer for 7 months;

(8) Craig Thomas is survived by his wife, Susan, and children, Patrick, Greg, Peter, and Lexie; and

(9) in memory of the distinguished career of service of Craig Thomas to the people of the United States, the dedication of Craig Thomas to units of the National Park System, generally, and to Grand Teton National Park, specifically, and the critical role of Craig Thomas in the new discovery and visitor center at Grand Teton National Park, the Grand Teton Discovery and Visitor Center should be designated as the ''Craig Thomas Discovery and Visitor Center''.

(b) THE CRAIG THOMAS DISCOVERY AND VISITOR CENTER.—

(1) DESIGNATION.—The Grand Teton Discovery and Visitor Center located in Moose, Wyoming, and scheduled for completion in August 2007 shall be known and designated as the ''Craig Thomas Discovery and Visitor Center''.

(2) REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Grand Teton Discovery and Visitor Center referred to in paragraph (1) shall be deemed to be a reference to the ''Craig Thomas Discovery and Visitor Center''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this Act.

SA 1710. Mr. FEINGOLD (for himself, Mr. SANDERS, and Mr. MENENDEZ) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 166, strike lines 17 through 19, and insert the following:

''(1) to reduce fossil fuel emissions created as a result of activities within the boundaries of the States or units of local government in an environmentally sustainable way that, to the maximum extent practicable, maximizes benefits for local and regional communities;

SA 1711. Mr. PRYOR (for himself, Mr. BOND, Mr. LEVIN, Mr. VOINOVICH, Ms. STABENOW, and Mrs. MCCASKILL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 239, strike line 16 and all that follows through page 277, line 5 and insert the following:

TITLE V—CORPORATE AVERAGE FUEL ECONOMY STANDARDS

SEC. 501. INCREASING THE EFFICIENCY OF AUTOMOBILES.

(a) DEFINITIONS.—In this section:

(1) AUTOMOBILE.—The term ''automobile'' means, as defined in regulations promulgated by the Administrator of the Environmental Protection Agency that are in effect on the date of the enactment of this Act—

(A) a light-duty truck; or

(B) a light-duty vehicle.

(2) ALTERNATIVE FUEL.—The term ''alternative fuel'' has the meaning given the term in section 32901(a) of title 49, United States Code.

(3) E85.—The term ''E85'' means a fuel blend containing 85 percent denatured ethanol and 15 percent gasoline by volume.

(4) FLEXIBLE FUEL AUTOMOBILE.—The term ''flexible fuel automobile'' means an automobile warrantied by the manufacturer of the vehicle to operate on any combination of gasoline, E85, and M85 or diesel fuel blends containing not less than 20 percent non-petroleum based fuel alternatives.

(5) HYBRID MOTOR VEHICLE.—The term ''hybrid motor vehicle'' means a new qualified hybrid motor vehicle (as defined in section 30B(d)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy.

(6) M85.—The term ''M85'' means a fuel blend containing 85 percent methanol and 15 percent gasoline by volume.

(7) PLUG-IN HYBRID AUTOMOBILE.—The term ''plug-in hybrid automobile'' means a hybrid automobile that—

(A) has an onboard, rechargeable storage device capable of propelling the vehicle by electricity for at least 10 miles; and

(B) achieves at least 125 percent of the model year 2002 city fuel economy.

(8) QUALIFIED AUTOMOBILE.—The term ''qualified automobile'' means—

(A) a new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)

of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy;

(B) an alternative fueled automobile (as defined in section 32901(a) of title 49, United States Code);

(C) a flexible fuel automobile;

(D) a new qualified fuel cell motor vehicle (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) a hybrid automobile;

(F) a plug-in hybrid automobile;

(G) an electric automobile;

(H) a hydrogen internal combustion engine automobile; and

(I) any other appropriate automobile that uses substantially new technology and achieves at least 175 percent of the model year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(b) REQUIREMENTS.—

(1) IN GENERAL.—For each model year, the percentage of new automobiles manufactured by a manufacturer for sale in the United States that are qualified automobiles shall be not less than the corresponding percentage in the following table:

For model year:	The percentage that are qualified automobiles shall be not less than:
2012	20 percent
2013	30 percent
2014	40 percent
2015 and thereafter	50 percent

(2) NEW TECHNOLOGY.—Not less than 10 percent of the number of qualified automobiles required to be manufactured by a manufacturer for sale in the United States in each model year after 2016 pursuant to paragraph (1), shall be—

(A) hybrid automobiles;

(B) plug-in hybrid automobiles;

(C) new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986);

(D) new qualified fuel cell motor vehicles (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) electric automobiles; or

(F) any other appropriate automobile that uses substantially new technology and achieves at least 175 percent of the model year 2002 combined fuel economy, as determined by the Secretary of Transportation, by regulation.

(c) QUALIFIED AUTOMOBILE CREDITS.—

(1) IN GENERAL.—The Secretary shall issue qualified automobile production credits to manufacturers for automobiles manufactured for model year 2012 and for each subsequent model year, in accordance with this subsection.

(2) EFFECT OF CREDIT.—Each credit issued to a manufacturer under this subsection shall reduce the qualified automobile mandate requirement under subsection (b)(1) by 1 automobile for the model year to which the credit applies.

(3) RATE OF CREDIT ISSUANCE.—For each qualified automobile (except for automobiles described in subparagraphs (B) and (C) of subsection (a)(8)) manufactured for model year 2012, 2013, 2014, 2015, or 2016, the manufacturer shall be issued—

(A) 1.25 qualified automobile production credits if the combined fuel economy for such automobile is greater than 110 percent and less than 125 percent of the combined fuel economy of the model year 2002 inertia weight class;

(B) 1.5 qualified automobile production credits if the combined fuel economy for such automobile is at least 125 percent and less than 150 percent of the combined fuel economy of the model year 2002 inertia weight class;

(C) 2.0 qualified automobile production credits if the combined fuel economy for such automobile is at least 150 percent and less than 175 percent of the combined fuel economy of the model year 2002 inertia weight class; and

(D) 3.0 qualified automobile production credits if the combined fuel economy for such automobile is at least 175 percent of the combined fuel economy of the model year 2002 inertia weight class;

(4) DEFINED TERM.—For purposes of this paragraph, the term ''model year 2002 inertia weight class'' has the same meaning as the term ''vehicle inertia weight class'' as defined in Section 30B of the Internal Revenue Code of 1986.

(d) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall promulgate regulations to carry out this section.

SEC. 502. AVERAGE FUEL ECONOMY STANDARDS FOR AUTOMOBILES.

(a) INCREASED STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

''(a) NONPASSENGER AUTOMOBILES.—

''(1) ANNUAL PRESCRIPTION OF AVERAGE FUEL ECONOMY STANDARDS.—

''(A) IN GENERAL.—Not later than 18 months before the beginning of each model year, the Secretary of Transportation shall prescribe by regulation average fuel economy standards for nonpassenger automobiles manufactured by a manufacturer in that model year.

''(B) STANDARDS BASED ON CLASS.—The Secretary may prescribe separate standards for different classes of nonpassenger automobiles.

''(C) STANDARDS BASED ON VEHICLE ATTRIBUTES.—The Secretary may prescribe such standards based on vehicle attributes pursuant to subsection (j).

''(D) MINIMUM STANDARD.—Each standard prescribed under this paragraph shall be the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in that model year, consistent with subsection (e).

''(2) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2012 THROUGH 2014.—Not later than April 1, 2010, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2012, 2013, and 2014. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(3) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2015.—Not later than April 1, 2013, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2015—

''(A) at least 25.3 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(4) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2016 THROUGH 2019.—Not later than April 1, 2014, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2016, 2017, 2018, and 2019. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(5) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2020.—Not later than April 1, 2018, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2020—

''(A) at least 27.7 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(6) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2021 THROUGH 2024.—Not later than April 1, 2019, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2021, 2022, 2023, and 2024. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(7) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2025 AND THEREAFTER.—Not later than April 1, 2023, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2025 and each subsequent model year—

''(A) at least 30 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).''; and

(2) by amending subsection (b) to read as follows:

''(b) PASSENGER AUTOMOBILES.—

''(1) ANNUAL PRESCRIPTION OF AVERAGE FUEL ECONOMY STANDARDS.—

''(A) IN GENERAL.—Not later than 18 months before the beginning of each model year after model year 2011, the Secretary of Transportation shall prescribe by regulation average fuel economy standards for passenger automobiles manufactured by a manufacturer in that model year.

''(B) AUTHORITY FOR PRESCRIPTION OF DIFFERING STANDARDS BASED ON CLASS.—The Secretary may prescribe separate standards for different classes of passenger automobiles.

''(C) STANDARDS BASED ON VEHICLE ATTRIBUTES.—The Secretary may prescribe such standards based on vehicle attributes pursuant to subsection (j).

''(D) MINIMUM STANDARD.—Each standard prescribed under this paragraph shall be the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in that model year, consistent with subsection (e).

''(2) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2012.—Not later than April 1, 2010, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2012—

''(A) at least 29 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(3) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2013 THROUGH 2016.—Not later than April 1, 2011, the Secretary shall establish average fuel economy standards for passenger automobiles for each of the model years 2013, 2014, 2015, and 2016. Each such standard shall be set at the maximum feasible average fuel economy level that the

Secretary determines the manufacturers can achieve in each such model year.

''(4) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2017.—Not later than April 1, 2015, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2017—

''(A) at least 32.5 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(5) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2018 THROUGH 2021.—Not later than April 1, 2016, the Secretary shall establish average fuel economy standards for passenger automobiles for model years 2018, 2019, 2020, and 2021. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(6) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2022 AND THEREAFTER.—Not later than April 1, 2020, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2022 and each subsequent model year—

''(A) at least 36 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(7) MINIMUM FOR AVERAGE FUEL ECONOMY STANDARDS BASED ON VEHICLE ATTRIBUTES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, for any model year in which the Secretary prescribes average fuel economy standards for passenger automobiles on the basis of vehicle attributes pursuant to subsection (j), the average fuel economy standard for passenger automobiles manufactured by a manufacturer in that model year shall also provide for an alternative minimum standard that shall apply only to a manufacturer's domestically manufactured passenger automobiles, as calculated under section 32904 as in effect on the day before the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(B) ALTERNATIVE MINIMUM STANDARD.—The alternative minimum standard referred to in subparagraph (A) shall be the greater of—

''(i) 27.5 miles per gallon; or

''(ii) 92 percent of the average fuel economy projected by the Secretary for the combined domestic and foreign fleets manufactured for sale in the United States by all manufacturers in that model year, which projection shall be published in the Federal Register when the standard for that model year is promulgated in accordance with this section.

''(C) APPLICABILITY.—The alternative minimum standard under this paragraph shall apply to a manufacturer's domestically manufactured passenger automobiles only if the passenger automobile standard established on the basis of vehicle attributes pursuant to subsection (j), excluding any credits transferred by the manufacturer pursuant to subsection (g) from other categories of automobiles described in paragraph (5)(B), would allow that manufacturer to comply with a less stringent passenger automobile standard than the alternative minimum standard.''.

(b) REPEAL OF AUTHORITY TO AMEND PASSENGER AUTOMOBILE FUEL ECONOMY STANDARDS.—

(1) IN GENERAL.—Section 32902 of title 49, United States Code, is amended—

(A) by striking subsection (c); and

(B) by redesignating subsections (d) through (j) as subsections (c) through (i), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 32901(a)(12) of such title is amended by striking ''section 32902(d)'' and inserting ''section 32902(c)''.

(B) Section 32902 of such title is amended—

(i) in subsection (c)(1), as redesignated by paragraph (1)(B), by striking ''under subsection (b) or (c)'' and inserting ''under subsection (b)'';

(ii) in subsection (d)(2), as redesignated by paragraph (1)(B), by striking ''under subsection (a), (b), (c), or (d)'' and inserting ''under subsection (a), (b), or (c)'';

(iii) in subsection (f), as redesignated by paragraph (1)(B)—

(I) in paragraph (1)—

(aa) by striking ''under subsection (a) or (d)'' and inserting ''under subsection (a), (b), or (c)''; and

(bb) by striking ''of subsection (a) or (d)'' and inserting ''of subsection (a), (b), or (c)''; and

(II) in paragraph (2), by striking ''(and submit the amendment to Congress when required under subsection (c)(2) of this section)'';

(iv) in subsection (g), as redesignated by paragraph (1)(B), by striking ''carrying out subsections (c), (f), and (g)'' and inserting ''carrying out subsections (a), (b), (e), and (f)''; and

(v) in subsection (i), as redesignated by paragraph (1)(B), by striking ''under subsection (a), (c), or (g) of this section'' and inserting ''under subsection (a), (b), or (f)''.

(C) Section 32904(a)(1)(B) of such title is amended by striking ''section 32902(b)-(d)'' and inserting ''subsections (b) and (c) of section 32902''.

(D) Section 32907(a)(4) of such title is amended by striking ''section 32902(d)'' and inserting ''section 32902(c)''.

(E) Section 32909(b) of such title is amended by striking '', except that a petition for review'' and all that follows through ''referred to in section 32902(c)(2)''.

(F) Section 32917(b)(1)(B) of such title is amended by striking ''or (c)''.

(c) AUTHORITY OF THE SECRETARY TO PRESCRIBE STANDARDS BASED ON VEHICLE ATTRIBUTES.—Section 32902 of title 49, United States Code, as amended by this section, is further amended by adding at the end the following:

''(j) AUTHORITY OF THE SECRETARY TO PRESCRIBE STANDARDS BASED ON VEHICLE ATTRIBUTES.—

''(1) IN GENERAL.—The authority of the Secretary of Transportation to prescribe by regulation average fuel economy standards for passenger automobiles and nonpassenger automobiles includes the authority to prescribe standards based on vehicle attributes related to fuel economy and to express any such attribute-based standard in the form of a mathematical function.

''(2) TRANSITION PERIOD.—If the Secretary prescribes standards for passenger automobiles on the basis of vehicle attributes, the Secretary shall provide a transition period during the first 3 model years in which an attribute-based standard would apply during which each manufacturer may elect whether to comply with the attribute-based standard or with the single corporate average fuel economy level prescribed under subsection (b).

''(3) PRESCRIPTION OF STANDARDS FOR MULTIPLE YEARS.—The authority of the Secretary to prescribe by regulation average fuel economy standards for automobiles includes the authority to prescribe standards by issuing regulations governing more than 1 model year at a time, up to 5 consecutive model years.''.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 32901(a) of title 49, United States Code, is amended—

(A) by redesignating paragraph (16) as paragraph (17); and

(B) by inserting after paragraph (15) the following:

''(16) 'nonpassenger automobile' means an automobile that is not a passenger automobile; and''.

(2) Section 32903 of title 49, United States Code, is amended—

(A) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsections (b) and (c) of section 32902'';

(B) in subsection (a)(2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)''; and

(C) in subsection (e), by striking ''automobiles that are not passenger automobiles'' and inserting ''nonpassenger automobiles''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) TRANSITION FOR PASSENGER AUTOMOBILES.—The standard or standards for passenger automobiles under the authority of section 32902(b) of title 49, United States Code, in effect on the day before the date of the enactment of this Act, shall remain in effect until a standard for passenger automobiles is established under the authority of section 32902(b) of such title, as amended by this section.

(3) AVERAGE FUEL ECONOMY STANDARD FOR NONPASSENGER AUTOMOBILES IN MODEL YEARS THROUGH 2011.—The average fuel economy standard for nonpassenger automobiles, under the authority of section 32902(a) of such title for model years through 2011, shall be the standard described in the final rule issued by the National Highway Traffic Safety Administration entitled ''Average Fuel Economy Standards for Light Trucks Model Years 2008–2011'' (71 Fed. Reg. 17566), as amended in a notice published by the National Highway Traffic Safety Administration on April 14, 2006 (71 Fed. Reg. 19449).

SEC. 503. FUEL ECONOMY TARGET FOR COMMERCIAL MEDIUM-DUTY AND HEAVY-DUTY ON-HIGHWAY VEHICLES.

Section 32902 of title 49, United States Code, as amended by section 502, is further amended by adding at the end the following:

''(k) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLES.—

''(1) STUDY.—Not later than 18 months after the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Secretary of Transportation, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall examine the fuel efficiency of commercial medium- and heavy-duty on-highway vehicles and determine—

''(A) the appropriate test procedures and methodologies for measuring commercial medium- and heavy-duty on-highway vehicle fuel efficiency;

''(B) the appropriate metric for measuring and expressing commercial medium- and heavy-duty on-highway vehicle fuel efficiency performance, taking into consideration, among other things, the work performed by such on-highway vehicles and types of operations in which they are used;

''(C) the range of factors, including, without limitation, design, functionality, use,

duty cycle, infrastructure, and total overall energy consumption and operating costs that effect commercial medium- and heavy-duty on-highway vehicle fuel efficiency; and

''(D) such other factors and conditions that could have an impact on a program to improve commercial medium- and heavy-duty on-highway vehicle fuel efficiency.

''(2) RULEMAKING.—Not later than 24 months after completion of the study required under paragraph (1), the Secretary of Transportation, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, and based on the results of that study, shall determine in a rulemaking procedure how to implement a commercial medium- and heavy-duty on-highway vehicle fuel efficiency improvement program and, as appropriate, shall adopt test methods, measurement metrics, fuel efficiency standards, and compliance and enforcement protocols that are appropriate, cost-effective, and technologically feasible for commercial medium- and heavy-duty on-highway vehicles.

''(3) LEAD-TIME; REGULATORY STABILITY.—Any commercial medium- and heavy-duty on-highway vehicle fuel efficiency regulatory program adopted pursuant to this subsection shall provide no less than 4 full model years of regulatory lead-time and 3 full model years of regulatory stability.

''(4) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLE DEFINED.—In this subsection, the term 'commercial medium- and heavy-duty on-highway vehicle' means a commercial on-highway vehicle with a gross vehicle weight rating of more than 10,000 pounds.''.

SEC. 504. CREDIT AVAILABILITY.

(a) IN GENERAL.—Section 32903 of title 49, United States Code, is amended—

(1) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsections (b) and (c) of section 32902'';

(2) in subsection (a)—

(A) by striking ''3 consecutive model years'' each place it appears and inserting ''5 consecutive model years''; and

(B) in paragraph (2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)'';

(3) in subsection (b)—

(A) in paragraph (1), by striking ''paragraph (2) of this subsection'' and inserting ''paragraph (2) and subsection (g)''; and

(B) in paragraph (2), by striking ''3 model years'' and inserting ''5 model years'';

(4) in subsection (e), by striking ''automobiles that are not passenger automobiles'' and inserting ''nonpassenger automobiles''; and

(5) by adding at the end the following:

''(g) CREDIT TRANSFERRING WITHIN A MANUFACTURER'S FLEET.—

''(1) AVERAGE FUEL ECONOMY CREDIT TRANSFERRING PROGRAM.—The Secretary of Transportation shall establish, by regulation, a corporate average fuel economy credit transferring program to allow any manufacturer whose automobiles exceed any of the average fuel economy standards prescribed under section 32902 to transfer the credits earned under this section and to apply them within that manufacturer's fleet to a compliance category of automobiles that fails to achieve the prescribed standards.

''(2) AVAILABILITY OF CREDITS TRANSFERRED.—Credits transferred under this section are available to be used in the same model years that the manufacturer could have applied them under subsections (a), (b), (d) and (e) as well as for the model year in which the manufacturer earned them. The maximum increase in any compliance category attributable to transferred credits is 1.0 mile per gallon in any single model year.

''(3) LIMITATION ON CREDIT TRANSFERS TO CATEGORY OF PASSENGER AUTOMOBILES.—In the case of transfers to the category of automobiles described in paragraph 5(B)(i), the transfer is limited to the extent that the fuel economy level of the manufacturer's fleet of passenger automobiles manufactured domestically shall comply with the provisions established under section 32902(b)(7), excluding any transfers from other categories of automobiles described in paragraph 5(B).

''(4) EFFECTIVE DATE.—A credit transferred in conformance with this section may only be so transferred if such credit is earned no earlier than the first model year after the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(5) DEFINITIONS.—In this subsection:

''(A) FLEET.—The term 'fleet' means all automobiles manufactured by a manufacturer in a given model year.

''(B) COMPLIANCE CATEGORY OF AUTOMOBILES.—The term 'compliance category of automobiles' means any of the 3 categories of automobiles for which compliance is separately calculated under this chapter, namely—

''(i) passenger automobiles manufactured domestically;

''(ii) passenger automobiles not manufactured domestically; and

''(iii) nonpassenger automobiles.''.

(b) FLEXIBLE FUELED VEHICLES.—

(1) EXTENSION OF ALTERNATIVE FUEL AUTOMOBILES MANUFACTURING INCENTIVES.—Section 32905 of title 49, United States Code, is amended—

(A) by striking ''1993–2010'' each place it appears and inserting ''1993 through 2020.'';

(B) by striking subsections (f) and (g); and

(C) by redesignating subsection (h) as subsection (f).

(2) EXTENSION OF MAXIMUM INCREASE PERIOD.—Section 32906(a) of title 49, United States Code, is amended—

(A) by striking ''1993–2010'' and inserting ''1993 through 2020'';

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''(A)''; and

(ii) by striking subparagraph (B); and

(C) in paragraph (2), by striking ''described—'' and all that follows and inserting ''is more than 1.2 miles per gallon, the limitation in paragraph (1) applies.''.

SEC. 505. RESEARCH ON AND DEVELOPMENT OF LEAP-AHEAD TECHNOLOGY.

(a) PROGRAM.—The Secretary of Energy (referred to in this section as the ''Secretary''), in cooperation with heads of other Federal agencies, shall carry out a comprehensive program to develop advanced vehicle technologies (including associated components and parts) that will offer—

(1) the potential for significantly-improved fuel economy; and

(2) significant reductions in emissions.

(b) COMPONENTS.—The program carried out under subsection (a) shall include research and development in the areas of—

(1) advanced lightweight materials;

(2) advanced battery technology;

(3) hybrid systems, including—

(A) power electronics, electric motors, power control units, and power controls;

(B) hydraulic accumulators or other energy storage devices; and

(C) testing and analysis;

(4) plug-in hybrids;

(5) advanced clean diesel;

(6) hydrogen internal combustion engines;

(7) fuel cell technology;

(8) hydrogen storage;

(9) fuel cell membranes;

(10) cellulosic ethanol;

(11) biodiesel fuel;

(12) biodiesel fuel and technology;

(13) ethanol and biofuels technology; and

(14) such other related areas as the Secretary determines to be appropriate.

(c) ADVANCED LIGHTWEIGHT MATERIALS.—In carrying out this section, the Secretary shall carry out an advanced lightweight materials research and development program the primary focuses of which shall include—

(1) the provision of—

(A) technical advice for compliance with applicable Federal and State environmental requirements;

(B) assistance in identifying supply sources and securing long-term contracts; and

(C) public outreach, education, and labeling materials; and

(2) the development of—

(A) low-cost, durable, abuse-tolerant lithium ion-based chemistries or other advanced chemistries;

(B) advanced lightweight steels that provide a 30-percent weight reduction;

(C) advanced lightweight metals (such as magnesium, aluminum, and titanium);

(D) advanced composites, particularly carbon fiber precursors and forming; and

(E) advanced forming and joining processes for lightweight materials, including mixed materials (such as combinations of steel, aluminum, magnesium, and carbon fiber into a single assembly or vehicle).

(d) ADVANCED BATTERIES.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall carry out an advanced battery program the primary focuses of which shall be—

(A) research in the chemistry of exploratory battery technologies (other than lithium ion batteries); and

(B) battery and battery systems production process research and development.

(2) INDUSTRY ALLIANCE.—In carrying out the advanced battery program under this subsection, the Secretary shall competitively select an Industry Alliance to represent participants who are private, for-profit firms headquartered in the United States, the primary business of which is the manufacturing of batteries and battery systems.

(3) RESEARCH.—

(A) GRANTS.—The Secretary shall carry out research activities of the Initiative through competitively-awarded grants to—

(i) researchers, including Industry Alliance participants;

(ii) small businesses;

(iii) National Laboratories; and

(iv) institutions of higher education.

(B) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance—

(i) comments to identify advanced battery technology needs relevant to electric drive technology;

(ii) an assessment of the progress of research activities of the Initiative; and

(iii) assistance in annually updating advanced battery technology road maps.

(4) AVAILABILITY TO THE PUBLIC.—The information and road maps developed under this subsection shall be available to the public.

(5) PREFERENCE.—In making awards under this subsection, the Secretary shall give preference to participants in the Industry Alliance.

(6) COST SHARING.—In carrying out this subsection, the Secretary shall require cost sharing in accordance with section 120(b) of title 23, United States Code.

(e) HYBRID SYSTEMS.—In carrying out this section, the Secretary shall carry out a program relating to hybrid systems, the primary focus of which shall be research on and development of—

(1) advanced electric traction systems and wheel motors;

(2) advanced power electronics;

(3) systems integration; and

(4) hydraulic accumulators or other energy storage devices.

(f) PLUG-IN HYBRIDS.—In carrying out this section, the Secretary shall carry out a program relating to plug-in hybrids, the primary focus of which shall be—

(1) research on and development of advanced batteries with appropriate power to energy ratios necessary for minimum electric range and vehicle performance, such as acceleration; and

(2) the early demonstration of vehicles and infrastructure through the provision of procurement assistance to fleet purchasers.

(g) ADVANCED CLEAN DIESEL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to diesel combustion and emissions, the primary focuses of which shall be—

(1) the development of clean-burn and after treatment technologies, including advanced low-temperature combustion (including homogeneous charge compression-ignition);

(2) the development of mixed mode operation that combines attributes of compression- and spark-ignition engine technologies;

(3) the integration of advanced technologies, including increased expansion ratio, variable valve timing, reduced friction, and improved exhaust gas heat recovery;

(4) the development of NO_X after treatment systems, including absorber-catalysts, selective catalytic reduction, and lean NO_X catalysts;

(5) the development of particulate matter after treatment systems;

(6) the development of powertrain integration of engine and after treatment systems; and

(7) enhancements in durability and reliability and reduction of costs.

(h) HYDROGEN INTERNAL COMBUSTION ENGINES.—In carrying out this section, the Secretary shall carry out a program of research and development relating to hydrogen internal combustion engines, the primary focuses of which shall be—

(1) to advance hydrogen internal combustion engine technology to a level at which the robustness and durability of such an engine would be acceptable to real-world customers; and

(2) to use those engines to provide an affordable transition to a hydrogen economy by creating a demand for hydrogen refueling infrastructure and bridging to hydrogen-powered fuel cells.

(i) FUEL CELL TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to fuel cell technology, the primary focuses of which shall be research on and development of—

(1) fuel cell stack components and fuel cell manufacturing processes; and

(2) materials resistant to hydrogen embrittlement.

(j) HYDROGEN STORAGE.—In carrying out this section, the Secretary shall carry out a program of research and development relating to hydrogen storage, the primary focus of which shall be research on and development of competitive storage methods for sufficient quantities of hydrogen onboard a vehicle (including a demonstration of hydrogen refueling infrastructure for not less than 10 nor more than 20 stations)—

(1) to enable increased development and use of hydrogen internal combustion engines and hydrogen-powered fuel cell vehicles; and

(2) to meet or surpass the customer-discernable attributes of vehicles available as of the date of enactment of this Act with respect to range and cost per mile.

(k) FUEL CELL MEMBRANES.—In carrying out this section, the Secretary shall carry out a program of research and development relating to fuel cell membranes, the primary focuses of which shall be—

(1) the achievement of a fundamental understanding of the catalytic materials for fuel cells; and

(2) the development of low-cost fuel cell membranes.

(l) CELLULOSIC ETHANOL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to cellulosic ethanol, the primary focus of which shall be research on and development of enzymes necessary for the production of cellulosic ethanol.

(m) BIODIESEL FUEL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to biodiesel fuel, the primary focuses of which shall be—

(1) the development of a national B–20 standard;

(2) fundamental research on biomass-to-liquid alternatives;

(3) total lifecycle analyses of the total potential for petroleum replacement, total fossil fuel replacement, or greenhouse gas reductions for biodiesel options;

(4) an assessment of feedstock options; and

(5) an assessment of the effects on engine durability and reliability including the effects due to fuel quality variations, stability, and degradation parameters.

(n) BIODIESEL FUEL AND TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to biodiesel fuel, the primary focuses of which shall be—

(1) the evaluation and optimization of B–100 processing variables to enhance blendstock stability, maintain uniform quality and specifications, and reduce cost;

(2) the development and expansion of processing, blending, and distribution infrastructure;

(3) the development of standardized labeling and dispensing of equipment information;

(4) establishment of a consumer education outreach program;

(5) assessment and evaluation of biodiesel on advanced engine (such as high-pressure injector) and after treatment components; and

(6) assessment of the effects of biodiesel on advanced combustion clean-burn strategies.

(o) ETHANOL AND BIOFUELS TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to ethanol and biofuels technology, the primary focus of which shall be research and development into—

(1) ethanol and biofuels transport systems, such as truck, rail, and pipelines;

(2) advanced high-efficiency combustion research for fuels, such as E–85;

(3) materials compatibility for E–85 fuel;

(4) E–85 vehicle engineering and calibration to speed conversion of systems; and

(5) advanced combustion and after-treatment systems to support fuel efficiency gains

(p) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) to carry out subsection (a), $60,000,000 for each of fiscal years 2008 through 2012;

(2) to carry out subsection (b), $143,000,000 for each of the fiscal years 2008 through 2012;

(3) to conduct research and development into hybrid systems (power electronics, electric motors, hydraulic accumulators, other energy storage devices, testing, and analysis), $64,000,000 for each of the fiscal years 2008 through 2012;

(4) to conduct research and development into plug-in hybrids, $56,000,000 for each of the fiscal years 2008 through 2012;

(5) to conduct research and development into advanced clean diesel, $54,000,000 for each of the fiscal years 2008 through 2010;

(6) to conduct research and development into hydrogen internal combustion engines, $11,000,000 for each of the fiscal years 2008 through 2012;

(7) to conduct research and development into fuel cell technology, $40,000,000 for each of the fiscal years 2008 through 2012;

(8) to conduct research and development into hydrogen storage, $88,000,000 for each of the fiscal years 2008 through 2012;

(9) to conduct research and development into fuel cell membranes, $64,000,000 for each of the fiscal years 2008 through 2012;

(10) to conduct research and development into cellulosic ethanol, $340,000,000 for each of the fiscal years 2008 through 2012;

(11) to conduct research and development into biodiesel fuel and technology, $7,000,000 for each of the fiscal years 2008 through 2012; and

(12) to conduct research and development into ethanol biofuels technology, $23,000,000 for each of the fiscal years 2008 through 2012.

SEC. 506. PROHIBITION ON FRANCHISE AGREEMENT RESTRICTIONS RELATED TO ALTERNATIVE FUEL INFRASTRUCTURE.

(a) IN GENERAL.—Title I of the Petroleum Marketing Practices Act (15 U.S.C. 2801 et seq.) is amended by adding at the end the following:

"SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLATION OF ALTERNATIVE FUEL PUMPS.

''(a) DEFINITION.—In this section:

''(1) ALTERNATIVE FUEL.—The term 'alternative fuel' means any fuel—

''(A) at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, or any combination of those fuels; or

''(B) any mixture of biodiesel (as defined in section 40A(d)(1) of the Internal Revenue Code of 1986) and diesel fuel (as defined in section 4083(a)(3) of the Internal Revenue Code of 1986), determined without regard to any use of kerosene and containing at least 20 percent biodiesel.

''(2) FRANCHISE-RELATED DOCUMENT.—The term 'franchise-related document' means—

''(A) a franchise under this Act; and

''(B) any other contract or directive of a franchisor relating to terms or conditions of the sale of fuel by a franchisee.

''(b) PROHIBITIONS.—

''(1) IN GENERAL.—Notwithstanding any provision of a franchise-related document in effect on the date of enactment of this section, no franchisee or affiliate of a franchisee shall be restricted from—

''(A) installing on the marketing premises of the franchisee an alternative fuel pump or storage tank;

''(B) converting an existing tank and pump on the marketing premises of the franchisee for alternative fuel use;

''(C) advertising (including through the use of signage or logos) the sale of any alternative fuel;

''(D) selling alternative fuel in any specified area on the marketing premises of the franchisee (including any area in which a name or logo of a franchisor or any other entity appears);

''(E) purchasing alternative fuel solely from the franchisor if the franchisor does not offer its own renewable fuel for sale by the franchisee;

''(F) listing alternative fuel availability or prices, including on service station signs, fuel dispensers, or light poles; or

''(G) allowing payment of alternative fuel with a credit card.

''(2) ENFORCEMENT.—Any restriction described in paragraph (1) that is contained in a franchise-related document and in effect on the date of enactment of this section—

''(A) shall be considered to be null and void as of that date; and

''(B) shall not be enforced under section 105.

''(c) EXCEPTION TO 3-GRADE REQUIREMENT.—No franchise-related document that requires that 3 grades of gasoline be sold by the applicable franchisee shall prevent the franchisee from selling an alternative fuel in lieu of 1 grade of gasoline.''.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 101(13) of the Petroleum Marketing Practices Act (15 U.S.C. 2801(13)) is amended by adjusting the indentation of subparagraph (C) appropriately.

(2) TABLE OF CONTENTS.—The table of contents of the Petroleum Marketing Practices Act (15 U.S.C. 2801 note) is amended by inserting after the item relating to section 106 the following:

''Sec. 107. Prohibition on restriction of installation of alternative fuel pumps.''.

SEC. 507. PIPELINE FEASIBILITY STUDY.

(a) IN GENERAL.—The Secretary of Energy, in consultation with the Secretary of Transportation, shall conduct a study of the feasibility of the construction of dedicated ethanol pipelines.

(b) FACTORS.—In conducting the study, the Secretary of Energy shall consider—

(1) the quantity of ethanol production that would make dedicated pipelines economically viable;

(2) existing or potential barriers to dedicated ethanol pipelines, including technical, siting, financing, and regulatory barriers;

(3) market risk (including throughput risk) and means of mitigating the risk;

(4) regulatory, financing, and siting options that would mitigate risk in those areas and help ensure the construction of 1 or more dedicated ethanol pipelines;

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

(6) technical factors that may compromise the safe transportation of ethanol in pipelines, including an identification of any remedial or preventative measures to ensure pipeline integrity; and

(7) such other factors as the Secretary of Energy considers to be appropriate.

(c) REPORT.—Not later than 15 months after the date of enactment of this Act, the Secretary of Energy shall submit to Congress a report describing the results of the study conducted under this section.

SEC. 508. PUBLIC ACCESS TO FEDERAL ALTERNATIVE REFUELING STATIONS.

(a) DEFINITIONS.—In this section:

(1) ALTERNATIVE FUEL REFUELING STATION.—The term ''alternative fuel refueling station'' has the meaning given the term ''qualified alternative fuel vehicle refueling property'' in section 30C(c)(1) of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(b) ACCESS TO FEDERAL ALTERNATIVE REFUELING STATIONS.—Not later than 18 months after the date of enactment of this Act—

(1) except as provided in subsection (d)(1), any Federal property that includes at least 1 fuel refueling station shall include at least 1 alternative fuel refueling station; and

(2) except as provided in subsection (d)(2), any alternative fuel refueling station located on property owned by the Federal government shall permit full public access for the purpose of refueling using alternative fuel.

(c) DURATION.—The requirements described in subsection (b) shall remain in effect until the sooner of—

(1) the date that is 7 years after the date of enactment of this Act; or

(2) the date on which the Secretary determines that not less than 5 percent of the commercial refueling infrastructure in the United States offers alternative fuels to the general public.

(d) EXCEPTIONS.—

(1) WAIVER.—Subsection (b)(1) shall not apply to any Federal property under the jurisdiction of a Federal agency if the Secretary determines that alternative fuel is not reasonably available to retail purchasers of the fuel, as certified by the head of the agency to the Secretary.

(2) NATIONAL SECURITY EXEMPTION.—Subsection (b)(2) does not apply to property of the Federal government that the Secretary, in consultation with the Secretary of Defense, has certified must be exempt for national security reasons.

(e) REPORT.—Not later than October 31 of each year beginning after the date of enactment of this Act, the President shall submit to Congress a report that describes the progress of the agencies of the Federal Government (including the Executive Office of the President) in complying with—

(1) the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.);

(2) Executive Order 13149 (65 Fed. Reg. 24595; relating to greening the government through Federal fleet and transportation efficiency); and

(3) the fueling center requirements of this section.

SA 1712. Mr. PRYOR (for himself, Mr. BOND, Mr. LEVIN, Mr. VOINOVICH, Ms. STABENOW, and Mrs. MCCASKILL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 239, strike line 16 and all that follows through page 263, line 8 and insert the following:

TITLE V—CORPORATE AVERAGE FUEL ECONOMY STANDARDS

SEC. 501. INCREASING THE EFFICIENCY OF AUTOMOBILES.

(a) DEFINITIONS.—In this section:

(1) AUTOMOBILE.—The term ''automobile'' means, as defined in regulations promulgated by the Administrator of the Environmental Protection Agency that are in effect on the date of the enactment of this Act—

(A) a light-duty truck;

(B) a light-duty vehicle; or

(C) a medium-duty passenger vehicle.

(2) ALTERNATIVE FUEL.—The term ''alternative fuel'' has the meaning given the term in section 32901(a) of title 49, United States Code.

(3) E85.—The term ''E85'' means a fuel blend containing 85 percent denatured ethanol and 15 percent gasoline by volume.

(4) FLEXIBLE FUEL AUTOMOBILE.—The term ''flexible fuel automobile'' means an automobile warrantied by the manufacturer of the vehicle to operate on any combination of gasoline, E85, and M85 or diesel fuel blends containing not less than 20 percent non-petroleum based fuel alternatives.

(5) HYBRID MOTOR VEHICLE.—The term ''hybrid motor vehicle'' means a new qualified hybrid motor vehicle (as defined in section 30B(d)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy.

(6) M85.—The term ''M85'' means a fuel blend containing 85 percent methanol and 15 percent gasoline by volume.

(7) PLUG-IN HYBRID AUTOMOBILE.—The term ''plug-in hybrid automobile'' means a hybrid automobile that—

(A) has an onboard, rechargeable storage device capable of propelling the vehicle by electricity for at least 10 miles; and

(B) achieves at least 125 percent of the model year 2002 city fuel economy.

(8) QUALIFIED AUTOMOBILE.—The term ''qualified automobile'' means—

(A) a new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy;

(B) an alternative fueled automobile (as defined in section 32901(a) of title 49, United States Code);

(C) a flexible fuel automobile;

(D) a new qualified fuel cell motor vehicle (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) a hybrid automobile;

(F) a plug-in hybrid automobile;

(G) an electric automobile;

(H) a hydrogen internal combustion engine automobile; and

(I) any other appropriate automobile that uses substantially new technology and achieves at least 175 percent of the model year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(b) REQUIREMENTS.—

(1) IN GENERAL.—For each model year, the percentage of new automobiles manufactured by a manufacturer for sale in the United States that are qualified automobiles shall be not less than the corresponding percentage in the following table:

For model year:	The percentage that are qualified automobiles shall be not less than:
2012	20 percent
2013	30 percent
2014	40 percent
2015 and thereafter	50 percent

(2) NEW TECHNOLOGY.—Not less than 10 percent of the number of qualified automobiles required to be manufactured by a manufacturer for sale in the United States in each model year after 2016 pursuant to paragraph (1), shall be—

(A) hybrid automobiles;

(B) plug-in hybrid automobiles;

(C) new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986);

(D) new qualified fuel cell motor vehicles (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) electric automobiles; or

(F) any other appropriate automobile that uses substantially new technology and achieves at least 175 percent of the model year 2002 combined fuel economy, as determined by the Secretary of Transportation, by regulation.

(c) QUALIFIED AUTOMOBILE CREDITS.—

(1) IN GENERAL.—The Secretary shall issue qualified automobile production credits to

manufacturers for automobiles manufactured for model year 2012 and for each subsequent model year, in accordance with this subsection.

(2) EFFECT OF CREDIT.—Each credit issued to a manufacturer under this subsection shall reduce the qualified automobile mandate requirement under subsection (b)(1) by 1 automobile for the model year to which the credit applies.

(3) RATE OF CREDIT ISSUANCE.—For each qualified automobile (except for automobiles described in subparagraphs (B) and (C) of subsection (a)(8)) manufactured for model year 2012, 2013, 2014, 2015, or 2016, the manufacturer shall be issued—

(A) 1.25 qualified automobile production credits if the combined fuel economy for such automobile is greater than 110 percent and less than 125 percent of the combined fuel economy of the model year 2002 inertia weight class;

(B) 1.5 qualified automobile production credits if the combined fuel economy for such automobile is at least 125 percent and less than 150 percent of the combined fuel economy of the model year 2002 inertia weight class;

(C) 2.0 qualified automobile production credits if the combined fuel economy for such automobile is at least 150 percent and less than 175 percent of the combined fuel economy of the model year 2002 inertia weight class; and

(D) 3.0 qualified automobile production credits if the combined fuel economy for such automobile is at least 175 percent of the combined fuel economy of the model year 2002 inertia weight class;

(4) DEFINED TERM.—For purposes of this paragraph, the term ''model year 2002 inertia weight class'' has the same meaning as the term ''vehicle inertia weight class'' as defined in Section 30B of the Internal Revenue Code of 1986.

(d) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall promulgate regulations to carry out this section.

SEC. 502. AVERAGE FUEL ECONOMY STANDARDS FOR AUTOMOBILES.

(a) INCREASED STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

''(a) NONPASSENGER AUTOMOBILES.—

''(1) ANNUAL PRESCRIPTION OF AVERAGE FUEL ECONOMY STANDARDS.—

''(A) IN GENERAL.—Not later than 18 months before the beginning of each model year, the Secretary of Transportation shall prescribe by regulation average fuel economy standards for nonpassenger automobiles manufactured by a manufacturer in that model year.

''(B) STANDARDS BASED ON CLASS.—The Secretary may prescribe separate standards for different classes of nonpassenger automobiles.

''(C) STANDARDS BASED ON VEHICLE ATTRIBUTES.—The Secretary may prescribe such standards based on vehicle attributes pursuant to subsection (j).

''(D) MINIMUM STANDARD.—Each standard prescribed under this paragraph shall be the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in that model year, consistent with subsection (e).

''(2) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2012 THROUGH 2014.—Not later than April 1, 2010, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2012, 2013, and 2014. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(3) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2015.—Not later than April 1, 2013, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2015—

''(A) at least 25.3 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(4) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2016 THROUGH 2019.—Not later than April 1, 2014, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2016, 2017, 2018, and 2019. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(5) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2020.—Not later than April 1, 2018, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2020—

''(A) at least 27.7 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(6) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2021 THROUGH 2024.—Not later than April 1, 2019, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2021, 2022, 2023, and 2024. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(7) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2025 AND THEREAFTER.—Not later than April 1, 2023, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2025 and each subsequent model year—

''(A) at least 30 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).''; and

(2) by amending subsection (b) to read as follows:

''(b) PASSENGER AUTOMOBILES.—

''(1) ANNUAL PRESCRIPTION OF AVERAGE FUEL ECONOMY STANDARDS.—

''(A) IN GENERAL.—Not later than 18 months before the beginning of each model year after model year 2011, the Secretary of Transportation shall prescribe by regulation average fuel economy standards for passenger automobiles manufactured by a manufacturer in that model year.

''(B) AUTHORITY FOR PRESCRIPTION OF DIFFERING STANDARDS BASED ON CLASS.—The Secretary may prescribe separate standards for different classes of passenger automobiles.

''(C) STANDARDS BASED ON VEHICLE ATTRIBUTES.—The Secretary may prescribe such standards based on vehicle attributes pursuant to subsection (j).

''(D) MINIMUM STANDARD.—Each standard prescribed under this paragraph shall be the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in that model year, consistent with subsection (e).

''(2) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2012.—Not later than April 1, 2010, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2012—

''(A) at least 29 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(3) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2013 THROUGH 2016.—Not later than April 1, 2011, the Secretary shall establish average fuel economy standards for passenger automobiles for each of the model years 2013, 2014, 2015, and 2016. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(4) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2017.—Not later than April 1, 2015, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2017—

''(A) at least 32.5 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(5) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2018 THROUGH 2021.—Not later than April 1, 2016, the Secretary shall establish average fuel economy standards for passenger automobiles for model years 2018, 2019, 2020, and 2021. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(6) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2022 AND THEREAFTER.—Not later than April 1, 2020, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2022 and each subsequent model year—

''(A) at least 36 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(7) MINIMUM FOR AVERAGE FUEL ECONOMY STANDARDS BASED ON VEHICLE ATTRIBUTES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, for any model year in which the Secretary prescribes average fuel economy standards for passenger automobiles on the basis of vehicle attributes pursuant to subsection (j), the average fuel economy standard for passenger automobiles manufactured by a manufacturer in that model year shall also provide for an alternative minimum standard that shall apply only to a manufacturer's domestically manufactured passenger automobiles, as calculated under section 32904 as in effect on the day before the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(B) ALTERNATIVE MINIMUM STANDARD.—The alternative minimum standard referred

to in subparagraph (A) shall be the greater of—

''(i) 27.5 miles per gallon; or

''(ii) 92 percent of the average fuel economy projected by the Secretary for the combined domestic and foreign fleets manufactured for sale in the United States by all manufacturers in that model year, which projection shall be published in the Federal Register when the standard for that model year is promulgated in accordance with this section.

''(C) APPLICABILITY.—The alternative minimum standard under this paragraph shall apply to a manufacturer's domestically manufactured passenger automobiles only if the passenger automobile standard established on the basis of vehicle attributes pursuant to subsection (j), excluding any credits transferred by the manufacturer pursuant to subsection (g) from other categories of automobiles described in paragraph (5)(B), would allow that manufacturer to comply with a less stringent passenger automobile standard than the alternative minimum standard.''.

(b) REPEAL OF AUTHORITY TO AMEND PASSENGER AUTOMOBILE FUEL ECONOMY STANDARDS.—

(1) IN GENERAL.—Section 32902 of title 49, United States Code, is amended—

(A) by striking subsection (c); and

(B) by redesignating subsections (d) through (j) as subsections (c) through (i), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 32901(a)(12) of such title is amended by striking ''section 32902(d)'' and inserting ''section 32902(c)''.

(B) Section 32902 of such title is amended—

(i) in subsection (c)(1), as redesignated by paragraph (1)(B), by striking ''under subsection (b) or (c)'' and inserting ''under subsection (b)'';

(ii) in subsection (d)(2), as redesignated by paragraph (1)(B), by striking ''under subsection (a), (b), (c), or (d)'' and inserting ''under subsection (a), (b), or (c)'';

(iii) in subsection (f), as redesignated by paragraph (1)(B)—

(I) in paragraph (1)—

(aa) by striking ''under subsection (a) or (d)'' and inserting ''under subsection (a), (b), or (c)''; and

(bb) by striking ''of subsection (a) or (d)'' and inserting ''of subsection (a), (b), or (c)''; and

(II) in paragraph (2), by striking ''(and submit the amendment to Congress when required under subsection (c)(2) of this section)'';

(iv) in subsection (g), as redesignated by paragraph (1)(B), by striking ''carrying out subsections (c), (f), and (g)'' and inserting ''carrying out subsections (a), (b), (e), and (f)''; and

(v) in subsection (i), as redesignated by paragraph (1)(B), by striking ''under subsection (a), (c), or (g) of this section'' and inserting ''under subsection (a), (b), or (f)''.

(C) Section 32904(a)(1)(B) of such title is amended by striking ''section 32902(b)-(d)'' and inserting ''subsections (b) and (c) of section 32902''.

(D) Section 32907(a)(4) of such title is amended by striking ''section 32902(d)'' and inserting ''section 32902(c)''.

(E) Section 32909(b) of such title is amended by striking '', except that a petition for review'' and all that follows through ''referred to in section 32902(c)(2)''.

(F) Section 32917(b)(1)(B) of such title is amended by striking ''or (c)''.

(c) AUTHORITY OF THE SECRETARY TO PRESCRIBE STANDARDS BASED ON VEHICLE ATTRIBUTES.—Section 32902 of title 49, United States Code, as amended by this section, is further amended by adding at the end the following:

''(j) AUTHORITY OF THE SECRETARY TO PRESCRIBE STANDARDS BASED ON VEHICLE ATTRIBUTES.—

''(1) IN GENERAL.—The authority of the Secretary of Transportation to prescribe by regulation average fuel economy standards for passenger automobiles and nonpassenger automobiles includes the authority to prescribe standards based on vehicle attributes related to fuel economy and to express any such attribute-based standard in the form of a mathematical function.

''(2) TRANSITION PERIOD.—If the Secretary prescribes standards for passenger automobiles on the basis of vehicle attributes, the Secretary shall provide a transition period during the first 3 model years in which an attribute-based standard would apply during which each manufacturer may elect whether to comply with the attribute-based standard or with the single corporate average fuel economy level prescribed under subsection (b).

''(3) PRESCRIPTION OF STANDARDS FOR MULTIPLE YEARS.—The authority of the Secretary to prescribe by regulation average fuel economy standards for automobiles includes the authority to prescribe standards by issuing regulations governing more than 1 model year at a time, up to 5 consecutive model years.''.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 32901(a) of title 49, United States Code, is amended—

(A) by redesignating paragraph (16) as paragraph (17); and

(B) by inserting after paragraph (15) the following:

''(16) 'nonpassenger automobile' means an automobile that is not a passenger automobile; and''.

(2) Section 32903 of title 49, United States Code, is amended—

(A) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsections (b) and (c) of section 32902'';

(B) in subsection (a)(2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)''; and

(C) in subsection (e), by striking ''automobiles that are not passenger automobiles'' and inserting ''nonpassenger automobiles''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) TRANSITION FOR PASSENGER AUTOMOBILES.—The standard or standards for passenger automobiles under the authority of section 32902(b) of title 49, United States Code, in effect on the day before the date of the enactment of this Act, shall remain in effect until a standard for passenger automobiles is established under the authority of section 32902(b) of such title, as amended by this section.

(3) AVERAGE FUEL ECONOMY STANDARD FOR NONPASSENGER AUTOMOBILES IN MODEL YEARS THROUGH 2011.—The average fuel economy standard for nonpassenger automobiles, under the authority of section 32902(a) of such title for model years through 2011, shall be the standard described in the final rule issued by the National Highway Traffic Safety Administration entitled ''Average Fuel Economy Standards for Light Trucks Model Years 2008–2011'' (71 Fed. Reg. 17566), as amended in a notice published by the National Highway Traffic Safety Administration on April 14, 2006 (71 Fed. Reg. 19449).

SEC. 503. FUEL EFFICIENCY TARGET FOR COMMERCIAL MEDIUM-DUTY AND HEAVY-DUTY ON-HIGHWAY VEHICLES.

Section 32902 of title 49, United States Code, as amended by section 502, is further amended by adding at the end the following:

''(k) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLES.—

''(1) STUDY.—Not later than 18 months after the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Secretary of Transportation, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall examine the fuel efficiency of commercial medium- and heavy-duty on-highway vehicles and determine—

''(A) the appropriate test procedures and methodologies for measuring commercial medium- and heavy-duty on-highway vehicle fuel efficiency;

''(B) the appropriate metric for measuring and expressing commercial medium- and heavy-duty on-highway vehicle fuel efficiency performance, taking into consideration, among other things, the work performed by such on-highway vehicles and types of operations in which they are used;

''(C) the range of factors, including, without limitation, design, functionality, use, duty cycle, infrastructure, and total overall energy consumption and operating costs that effect commercial medium- and heavy-duty on-highway vehicle fuel efficiency; and

''(D) such other factors and conditions that could have an impact on a program to improve commercial medium- and heavy-duty on-highway vehicle fuel efficiency.

''(2) RULEMAKING.—Not later than 24 months after completion of the study required under paragraph (1), the Secretary of Transportation, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, and based on the results of that study, shall determine in a rulemaking procedure how to implement a commercial medium- and heavy-duty on-highway vehicle fuel efficiency improvement program and, as appropriate, shall adopt test methods, measurement metrics, fuel efficiency targets, and compliance and enforcement protocols that are appropriate, cost-effective, and technologically feasible for commercial medium- and heavy-duty on-highway vehicles.

''(3) LEAD-TIME; REGULATORY STABILITY.—Any commercial medium- and heavy-duty on-highway vehicle fuel efficiency regulatory program adopted pursuant to this subsection shall provide no less than 4 full model years of regulatory lead-time and 3 full model years of regulatory stability.

''(4) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLE DEFINED.—In this subsection, the term 'commercial medium- and heavy-duty on-highway vehicle' means a commercial on-highway vehicle with a gross vehicle weight rating of more than 10,000 pounds.''.

SEC. 504. CREDIT AVAILABILITY.

(a) IN GENERAL.—Section 32903 of title 49, United States Code, is amended—

(1) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsections (b) and (c) of section 32902'';

(2) in subsection (a)—

(A) by striking ''3 consecutive model years'' each place it appears and inserting ''5 consecutive model years''; and

(B) in paragraph (2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)'';

(3) in subsection (b)—

(A) in paragraph (1), by striking ''paragraph (2) of this subsection'' and inserting ''paragraph (2) and subsection (g)''; and

(B) in paragraph (2), by striking ''3 model years'' and inserting ''5 model years'';

(4) in subsection (e), by striking ''automobiles that are not passenger automobiles'' and inserting ''nonpassenger automobiles''; and

(5) by adding at the end the following:

''(g) CREDIT TRANSFERRING WITHIN A MANUFACTURER'S FLEET.—

''(1) AVERAGE FUEL ECONOMY CREDIT TRANSFERRING PROGRAM.—The Secretary of Transportation shall establish, by regulation, a corporate average fuel economy credit transferring program to allow any manufacturer whose automobiles exceed any of the average fuel economy standards prescribed under section 32902 to transfer the credits earned under this section and to apply them within that manufacturer's fleet to a compliance category of automobiles that fails to achieve the prescribed standards.

''(2) AVAILABILITY OF CREDITS TRANSFERRED.—Credits transferred under this section are available to be used in the same model years that the manufacturer could have applied them under subsections (a), (b), (d) and (e) as well as for the model year in which the manufacturer earned them. The maximum increase in any compliance category attributable to transferred credits is 1.0 mile per gallon in any single model year.

''(3) LIMITATION ON CREDIT TRANSFERS TO CATEGORY OF PASSENGER AUTOMOBILES.—In the case of transfers to the category of automobiles described in paragraph 5(B)(i), the transfer is limited to the extent that the fuel economy level of the manufacturer's fleet of passenger automobiles manufactured domestically shall comply with the provisions established under section 32902(b)(7), excluding any transfers from other categories of automobiles described in paragraph 5(B).

''(4) EFFECTIVE DATE.—A credit transferred in conformance with this section may only be so transferred if such credit is earned no earlier than the first model year after the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(5) DEFINITIONS.—In this subsection:

''(A) FLEET.—The term 'fleet' means all automobiles manufactured by a manufacturer in a given model year.

''(B) COMPLIANCE CATEGORY OF AUTOMOBILES.—The term 'compliance category of automobiles' means any of the 3 categories of automobiles for which compliance is separately calculated under this chapter, namely—

''(i) passenger automobiles manufactured domestically;

''(ii) passenger automobiles not manufactured domestically; and

''(iii) nonpassenger automobiles.''.

(b) FLEXIBLE FUELED VEHICLES.—

(1) EXTENSION OF ALTERNATIVE FUEL AUTOMOBILES MANUFACTURING INCENTIVES.—Section 32905 of title 49, United States Code, is amended—

(A) by striking ''1993–2010'' each place it appears and inserting ''1993 through 2020.'';

(B) by striking subsections (f) and (g); and

(C) by redesignating subsection (h) as subsection (f).

(2) EXTENSION OF MAXIMUM INCREASE PERIOD.—Section 32906(a) of title 49, United States Code, is amended—

(A) by striking ''1993–2010'' and inserting ''1993 through 2020'';

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''(A)''; and

(ii) by striking subparagraph (B); and

(C) in paragraph (2), by striking ''described—'' and all that follows and inserting ''is more than 1.2 miles per gallon, the limitation in paragraph (1) applies.''.

SEC. 505. RESEARCH ON AND DEVELOPMENT OF LEAP-AHEAD TECHNOLOGY.

(a) PROGRAM.—The Secretary of Energy (referred to in this section as the ''Secretary''), in cooperation with heads of other Federal agencies, shall carry out a comprehensive program to develop advanced vehicle technologies (including associated components and parts) that will offer—

(1) the potential for significantly-improved fuel economy; and

(2) significant reductions in emissions.

(b) COMPONENTS.—The program carried out under subsection (a) shall include research and development in the areas of—

(1) advanced lightweight materials;

(2) advanced battery technology and battery systems;

(3) hybrid systems, including—

(A) power electronics, electric motors, power control units, and power controls;

(B) hydraulic accumulators or other energy storage devices; and

(C) testing and analysis;

(4) plug-in hybrids;

(5) advanced clean diesel;

(6) hydrogen internal combustion engines;

(7) fuel cell technology;

(8) hydrogen storage;

(9) fuel cell membranes;

(10) cellulosic ethanol;

(11) biodiesel fuel;

(12) biodiesel fuel and technology;

(13) ethanol and biofuels technology; and

(14) such other related areas as the Secretary determines to be appropriate.

(c) ADVANCED LIGHTWEIGHT MATERIALS.—In carrying out this section, the Secretary shall carry out an advanced lightweight materials research and development program the primary focuses of which shall include—

(1) the provision of—

(A) technical advice for compliance with applicable Federal and State environmental requirements;

(B) assistance in identifying supply sources and securing long-term contracts; and

(C) public outreach, education, and labeling materials; and

(2) the development of—

(A) low-cost, durable, abuse-tolerant lithium ion-based chemistries or other advanced chemistries;

(B) advanced lightweight steels that provide a 30-percent weight reduction;

(C) advanced lightweight metals (such as magnesium, aluminum, and titanium);

(D) advanced composites, particularly carbon fiber precursors and forming; and

(E) advanced forming and joining processes for lightweight materials, including mixed materials (such as combinations of steel, aluminum, magnesium, and carbon fiber into a single assembly or vehicle).

(d) ADVANCED BATTERIES.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall carry out an advanced battery program the primary focuses of which shall be—

(A) research in the chemistry of exploratory battery technologies (other than lithium ion batteries); and

(B) battery and battery systems production process research and development.

(2) INDUSTRY ALLIANCE.—In carrying out the advanced battery program under this subsection, the Secretary shall competitively select an Industry Alliance to represent participants who are private, for-profit firms headquartered in the United States, the primary business of which is the manufacturing of batteries and battery systems.

(3) RESEARCH.—

(A) GRANTS.—The Secretary shall carry out research activities of the Initiative through competitively-awarded grants to—

(i) researchers, including Industry Alliance participants;

(ii) small businesses;

(iii) National Laboratories; and

(iv) institutions of higher education.

(B) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance—

(i) comments to identify advanced battery technology needs relevant to electric drive technology;

(ii) an assessment of the progress of research activities of the Initiative; and

(iii) assistance in annually updating advanced battery technology road maps.

(4) AVAILABILITY TO THE PUBLIC.—The information and road maps developed under this subsection shall be available to the public.

(5) PREFERENCE.—In making awards under this subsection, the Secretary shall give preference to participants in the Industry Alliance.

(6) COST SHARING.—In carrying out this subsection, the Secretary shall require cost sharing in accordance with section 120(b) of title 23, United States Code.

(e) HYBRID SYSTEMS.—In carrying out this section, the Secretary shall carry out a program relating to hybrid systems, the primary focus of which shall be research on and development of—

(1) advanced electric traction systems and wheel motors;

(2) advanced power electronics;

(3) systems integration; and

(4) hydraulic accumulators or other energy storage devices.

(f) PLUG-IN HYBRIDS.—In carrying out this section, the Secretary shall carry out a program relating to plug-in hybrids, the primary focus of which shall be—

(1) research on and development of advanced batteries with appropriate power to energy ratios necessary for minimum electric range and vehicle performance, such as acceleration; and

(2) the early demonstration of vehicles and infrastructure through the provision of procurement assistance to fleet purchasers.

(g) ADVANCED CLEAN DIESEL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to diesel combustion and emissions, the primary focuses of which shall be—

(1) the development of clean-burn and after treatment technologies, including advanced low-temperature combustion (including homogeneous charge compression-ignition);

(2) the development of mixed mode operation that combines attributes of compression- and spark-ignition engine technologies;

(3) the integration of advanced technologies, including increased expansion ratio, variable valve timing, reduced friction, and improved exhaust gas heat recovery;

(4) the development of NO_x after treatment systems, including absorber-catalysts, selective catalytic reduction, and lean NO_x catalysts;

(5) the development of particulate matter after treatment systems;

(6) the development of powertrain integration of engine and after treatment systems; and

(7) enhancements in durability and reliability and reduction of costs.

(h) HYDROGEN INTERNAL COMBUSTION ENGINES.—In carrying out this section, the Secretary shall carry out a program of research and development relating to hydrogen internal combustion engines, the primary focuses of which shall be—

(1) to advance hydrogen internal combustion engine technology to a level at which the robustness and durability of such an engine would be acceptable to real-world customers; and

(2) to use those engines to provide an affordable transition to a hydrogen economy by creating a demand for hydrogen refueling infrastructure and bridging to hydrogen-powered fuel cells.

(i) FUEL CELL TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to fuel cell technology, the primary focuses of which shall be research on and development of—

(1) fuel cell stack components and fuel cell manufacturing processes; and

(2) materials resistant to hydrogen embrittlement.

(j) HYDROGEN STORAGE.—In carrying out this section, the Secretary shall carry out a program of research and development relating to hydrogen storage, the primary focus of which shall be research on and development of competitive storage methods for sufficient quantities of hydrogen onboard a vehicle (including a demonstration of hydrogen refueling infrastructure for not less than 10 nor more than 20 stations)—

(1) to enable increased development and use of hydrogen internal combustion engines and hydrogen-powered fuel cell vehicles; and

(2) to meet or surpass the customer-discernable attributes of vehicles available as of the date of enactment of this Act with respect to range and cost per mile.

(k) FUEL CELL MEMBRANES.—In carrying out this section, the Secretary shall carry out a program of research and development relating to fuel cell membranes, the primary focuses of which shall be—

(1) the achievement of a fundamental understanding of the catalytic materials for fuel cells; and

(2) the development of low-cost fuel cell membranes.

(l) CELLULOSIC ETHANOL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to cellulosic ethanol, the primary focus of which shall be research on and development of enzymes necessary for the production of cellulosic ethanol.

(m) BIODIESEL FUEL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to biodiesel fuel, the primary focuses of which shall be—

(1) the development of a national B–20 standard;

(2) fundamental research on biomass-to-liquid alternatives;

(3) total lifecycle analyses of the total potential for petroleum replacement, total fossil fuel replacement, or greenhouse gas reductions for biodiesel options;

(4) an assessment of feedstock options; and

(5) an assessment of the effects on engine durability and reliability including the effects due to fuel quality variations, stability, and degradation parameters.

(n) BIODIESEL FUEL AND TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to biodiesel fuel, the primary focuses of which shall be—

(1) the evaluation and optimization of B–100 processing variables to enhance blendstock stability, maintain uniform quality and specifications, and reduce cost;

(2) the development and expansion of processing, blending, and distribution infrastructure;

(3) the development of standardized labeling and dispensing of equipment information;

(4) establishment of a consumer education outreach program;

(5) assessment and evaluation of biodiesel on advanced engine (such as high-pressure injector) and after treatment components; and

(6) assessment of the effects of biodiesel on advanced combustion clean-burn strategies.

(o) ETHANOL AND BIOFUELS TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to ethanol and biofuels technology, the primary focus of which shall be research and development into—

(1) ethanol and biofuels transport systems, such as truck, rail, and pipelines;

(2) advanced high-efficiency combustion research for fuels, such as E–85;

(3) materials compatibility for E–85 fuel;

(4) E–85 vehicle engineering and calibration to speed conversion of systems; and

(5) advanced combustion and after-treatment systems to support fuel efficiency gains.

(p) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) to carry out subsection (a), $60,000,000 for each of fiscal years 2008 through 2012;

(2) to carry out subsection (b), $143,000,000 for each of the fiscal years 2008 through 2012;

(3) to conduct research and development into hybrid systems (power electronics, electric motors, hydraulic accumulators, other energy storage devices, testing, and analysis), $64,000,000 for each of the fiscal years 2008 through 2012;

(4) to conduct research and development into plug-in hybrids, $56,000,000 for each of the fiscal years 2008 through 2012;

(5) to conduct research and development into advanced clean diesel, $54,000,000 for each of the fiscal years 2008 through 2010;

(6) to conduct research and development into hydrogen internal combustion engines, $11,000,000 for each of the fiscal years 2008 through 2012;

(7) to conduct research and development into fuel cell technology, $40,000,000 for each of the fiscal years 2008 through 2012;

(8) to conduct research and development into hydrogen storage, $88,000,000 for each of the fiscal years 2008 through 2012;

(9) to conduct research and development into fuel cell membranes, $64,000,000 for each of the fiscal years 2008 through 2012;

(10) to conduct research and development into cellulosic ethanol, $340,000,000 for each of the fiscal years 2008 through 2012;

(11) to conduct research and development into biodiesel fuel and technology, $7,000,000 for each of the fiscal years 2008 through 2012; and

(12) to conduct research and development into ethanol biofuels technology, $23,000,000 for each of the fiscal years 2008 through 2012.

SEC. 506. PROHIBITION ON FRANCHISE AGREEMENT RESTRICTIONS RELATED TO ALTERNATIVE FUEL INFRASTRUCTURE.

(a) IN GENERAL.—Title I of the Petroleum Marketing Practices Act (15 U.S.C. 2801 et seq.) is amended by adding at the end the following:

"SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLATION OF ALTERNATIVE FUEL PUMPS.

''(a) DEFINITION.—In this section:

''(1) ALTERNATIVE FUEL.—The term 'alternative fuel' means any fuel—

''(A) at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, or any combination of those fuels; or

''(B) any mixture of biodiesel (as defined in section 40A(d)(1) of the Internal Revenue Code of 1986) and diesel fuel (as defined in section 4083(a)(3) of the Internal Revenue Code of 1986), determined without regard to any use of kerosene and containing at least 20 percent biodiesel.

''(2) FRANCHISE-RELATED DOCUMENT.—The term 'franchise-related document' means—

''(A) a franchise under this Act; and

''(B) any other contract or directive of a franchisor relating to terms or conditions of the sale of fuel by a franchisee.

''(b) PROHIBITIONS.—

''(1) IN GENERAL.—Notwithstanding any provision of a franchise-related document in effect on the date of enactment of this section, no franchisee or affiliate of a franchisee shall be restricted from—

''(A) installing on the marketing premises of the franchisee an alternative fuel pump or storage tank;

''(B) converting an existing tank and pump on the marketing premises of the franchisee for alternative fuel use;

''(C) advertising (including through the use of signage or logos) the sale of any alternative fuel;

''(D) selling alternative fuel in any specified area on the marketing premises of the franchisee (including any area in which a name or logo of a franchisor or any other entity appears);

''(E) purchasing alternative fuel solely from the franchisor if the franchisor does not offer its own renewable fuel for sale by the franchisee;

''(F) listing alternative fuel availability or prices, including on service station signs, fuel dispensers, or light poles; or

''(G) allowing payment of alternative fuel with a credit card.

''(2) ENFORCEMENT.—Any restriction described in paragraph (1) that is contained in a franchise-related document and in effect on the date of enactment of this section—

''(A) shall be considered to be null and void as of that date; and

''(B) shall not be enforced under section 105.

''(c) EXCEPTION TO 3-GRADE REQUIREMENT.—No franchise-related document that requires that 3 grades of gasoline be sold by the applicable franchisee shall prevent the franchisee from selling an alternative fuel in lieu of 1 grade of gasoline.''.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 101(13) of the Petroleum Marketing Practices Act (15 U.S.C. 2801(13)) is amended by adjusting the indentation of subparagraph (C) appropriately.

(2) TABLE OF CONTENTS.—The table of contents of the Petroleum Marketing Practices Act (15 U.S.C. 2801 note) is amended by inserting after the item relating to section 106 the following:

''Sec. 107. Prohibition on restriction of installation of alternative fuel pumps.''.

SEC. 507. PUBLIC ACCESS TO FEDERAL ALTERNATIVE REFUELING STATIONS.

(a) DEFINITIONS.—In this section:

(1) ALTERNATIVE FUEL REFUELING STATION.—The term ''alternative fuel refueling station'' has the meaning given the term ''qualified alternative fuel vehicle refueling property'' in section 30C(c)(1) of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(b) ACCESS TO FEDERAL ALTERNATIVE REFUELING STATIONS.—Not later than 18 months after the date of enactment of this Act—

(1) except as provided in subsection (d)(1), any Federal property that includes at least 1 fuel refueling station shall include at least 1 alternative fuel refueling station; and

(2) except as provided in subsection (d)(2), any alternative fuel refueling station located on property owned by the Federal government shall permit full public access for the purpose of refueling using alternative fuel.

(c) DURATION.—The requirements described in subsection (b) shall remain in effect until the sooner of—

(1) the date that is 7 years after the date of enactment of this Act; or

(2) the date on which the Secretary determines that not less than 5 percent of the commercial refueling infrastructure in the United States offers alternative fuels to the general public.

(d) EXCEPTIONS.—

(1) WAIVER.—Subsection (b)(1) shall not apply to any Federal property under the jurisdiction of a Federal agency if the Secretary determines that alternative fuel is not reasonably available to retail purchasers of the fuel, as certified by the head of the agency to the Secretary.

(2) NATIONAL SECURITY EXEMPTION.—Subsection (b)(2) shall not apply to property of the Federal government that the Secretary, in consultation with the Secretary of Defense, has certified must be exempt for national security reasons.

(e) REPORT.—Not later than October 31 of each year beginning after the date of enactment of this Act, the President shall submit to Congress a report that describes the progress of the agencies of the Federal Government (including the Executive Office of the President) in complying with—

(1) the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.);

(2) Executive Order 13149 (65 Fed. Reg. 24595; relating to greening the government through Federal fleet and transportation efficiency); and

(3) the fueling center requirements of this section.

SEC. 508. LABELS FOR FUEL ECONOMY AND GREENHOUSE GAS EMISSIONS.

Section 32908(b) of title 49, United States Code, is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraph (F) as subparagraph (H); and

(B) by inserting after subparagraph (E) the following:

''(F) a label (or a logo imprinted on a label required by this paragraph) that—

''(i) reflects an automobile's performance on the basis of criteria developed by the Administrator to reflect the fuel economy and greenhouse gas and other emissions consequences of operating the automobile over its likely useful life;

''(ii) permits consumers to compare performance results under clause (i) among all automobiles; and

''(iii) is designed to encourage the manufacture and sale of automobiles that meet or exceed applicable fuel economy standards under section 32902.

''(G) a fuelstar under paragraph (5).''; and

(2) by adding at the end the following:

''(4) GREEN LABEL PROGRAM.—

''(A) MARKETING ANALYSIS.—Not later than 2 years after the date of the enactment of the Ten-in-Ten Fuel Economy Act, the Administrator shall implement a consumer education program and execute marketing strategies to improve consumer understanding of automobile performance described in paragraph (1)(F).

''(B) ELIGIBILITY.—Not later than 3 years after the date described in subparagraph (A), the Administrator shall issue requirements for the label or logo required under paragraph (1)(F) to ensure that an automobile is not eligible for the label or logo unless it—

''(i) meets or exceeds the applicable fuel economy standard; or

''(ii) will have the lowest greenhouse gas emissions over the useful life of the vehicle of all vehicles in the vehicle attribute class to which it belongs in that model year.

''(5) FUELSTAR PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a program, to be known as the 'Fuelstar Program', under which stars shall be imprinted on or attached to the label required by paragraph (1).

''(B) GREEN STARS.—Under the Fuelstar Program, a manufacturer may include on the label maintained on an automobile under paragraph (1)—

''(i) 1 green star for any automobile that meets the average fuel economy standard for the model year under section 32902;

''(ii) 1 additional green star for each 2 miles per gallon by which the automobile exceeds such standard; and

''(iii) 1 additional green star for the use of thermal management technologies, including energy efficient air conditioning systems, glass, and powertrain systems.

''(C) GOLD STARS.—Under the Fuelstar Program, a manufacturer may include a gold star on the label maintained on an automobile under paragraph (1) if the automobile attains a fuel economy of at least 50 miles per gallon.''.

SEC. 509. NATIONAL ACADEMY OF SCIENCES STUDIES.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Transportation shall execute an agreement with the National Academy of Sciences to develop a report evaluating vehicle fuel economy standards, including—

(1) an assessment of automotive technologies and costs to reflect developments since the Academy's 2002 report evaluating the corporate average fuel economy standards was conducted;

(2) an analysis of existing and potential technologies that may be used practically to improve automobile fuel economy;

(3) an analysis of how such technologies may be practically integrated into the automotive manufacturing process; and

(4) an assessment of how such technologies may be used to meet the new fuel economy standards under chapter 329 of title 49, United States Code, as amended by this title.

(b) QUINQUENNIAL UPDATES.—After submitting the initial report, the Academy shall update the report at 5 year intervals thereafter through 2025.

(c) REPORT.—The Academy shall submit the report to the Secretary, the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce, with its findings and recommendations no later than 18 months after the date on which the Secretary executes the agreement with the Academy.

SEC. 510. STANDARDS FOR EXECUTIVE AGENCY AUTOMOBILES.

(a) IN GENERAL.—Section 32917 of title 49, United States Code, is amended to read as follows:

''§ 32917. Standards for Executive agency automobiles

''(a) FUEL EFFICIENCY.—The head of an Executive agency shall ensure that each new automobile procured by the Executive agency is as fuel efficient as practicable.

''(b) DEFINITIONS.—In this section:

''(1) EXECUTIVE AGENCY.—The term 'Executive agency' has the meaning given that term in section 105 of title 5.

''(2) NEW AUTOMOBILE.—The term 'new automobile', with respect to the fleet of automobiles of an executive agency, means an automobile that is leased for at least 60 consecutive days or bought, by or for the Executive agency, after September 30, 2008. The term does not include any vehicle designed for combat-related missions, law enforcement work, or emergency rescue work.''.

(b) REPORT.—The Administrator of the General Services Administration shall develop a report describing and evaluating the efforts of the heads of the Executive agencies to comply with section 32917 of title 49, United States Code, for fiscal year 2009. The Administrator shall submit the report to Congress no later than December 31, 2009.

SA 1713. Mr. PRYOR (for himself, Mr. BOND, Mr. LEVIN, Mr. VOINOVICH, Ms. STABENOW, and Mrs. MCCASKILL) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 239, strike line 16 and all that follows through page 263, line 8 and insert the following:

TITLE V—CORPORATE AVERAGE FUEL ECONOMY STANDARDS

SEC. 501. INCREASING THE EFFICIENCY OF AUTOMOBILES.

(a) DEFINITIONS.—In this section:

(1) AUTOMOBILE.—The term ''automobile'' means, as defined in regulations promulgated by the Administrator of the Environmental Protection Agency that are in effect on the date of the enactment of this Act—

(A) a light-duty truck;

(B) a light-duty vehicle; or

(C) a medium-duty passenger vehicle.

(2) ALTERNATIVE FUEL.—The term ''alternative fuel'' has the meaning given the term in section 32901(a) of title 49, United States Code.

(3) E85.—The term ''E85'' means a fuel blend containing 85 percent denatured ethanol and 15 percent gasoline by volume.

(4) FLEXIBLE FUEL AUTOMOBILE.—The term ''flexible fuel automobile'' means an automobile warrantied by the manufacturer of the vehicle to operate on any combination of gasoline, E85, and M85 or diesel fuel blends containing not less than 20 percent non-petroleum based fuel alternatives.

(5) HYBRID MOTOR VEHICLE.—The term ''hybrid motor vehicle'' means a new qualified hybrid motor vehicle (as defined in section 30B(d)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy.

(6) M85.—The term ''M85'' means a fuel blend containing 85 percent methanol and 15 percent gasoline by volume.

(7) PLUG-IN HYBRID AUTOMOBILE.—The term ''plug-in hybrid automobile'' means a hybrid automobile that—

(A) has an onboard, rechargeable storage device capable of propelling the vehicle by electricity for at least 10 miles; and

(B) achieves at least 125 percent of the model year 2002 city fuel economy.

(8) QUALIFIED AUTOMOBILE.—The term ''qualified automobile'' means—

(A) a new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy;

(B) an alternative fueled automobile (as defined in section 32901(a) of title 49, United States Code);

(C) a flexible fuel automobile;

(D) a new qualified fuel cell motor vehicle (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) a hybrid automobile;

(F) a plug-in hybrid automobile;

(G) an electric automobile;

(H) a hydrogen internal combustion engine automobile; and

(I) any other appropriate automobile that uses substantially new technology and achieves at least 175 percent of the model

year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(b) REQUIREMENTS.—

(1) IN GENERAL.—For each model year, the percentage of new automobiles manufactured by a manufacturer for sale in the United States that are qualified automobiles shall be not less than the corresponding percentage in the following table:

For model year:	The percentage that are qualified automobiles shall be not less than:
2012	20 percent
2013	30 percent
2014	40 percent
2015 and thereafter	50 percent

(2) NEW TECHNOLOGY.—Not less than 10 percent of the number of qualified automobiles required to be manufactured by a manufacturer for sale in the United States in each model year after 2016 pursuant to paragraph (1), shall be—

(A) hybrid automobiles;

(B) plug-in hybrid automobiles;

(C) new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986);

(D) new qualified fuel cell motor vehicles (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) electric automobiles; or

(F) any other appropriate automobile that uses substantially new technology and achieves at least 175 percent of the model year 2002 combined fuel economy, as determined by the Secretary of Transportation, by regulation.

(c) QUALIFIED AUTOMOBILE CREDITS.—

(1) IN GENERAL.—The Secretary shall issue qualified automobile production credits to manufacturers for automobiles manufactured for model year 2012 and for each subsequent model year, in accordance with this subsection.

(2) EFFECT OF CREDIT.—Each credit issued to a manufacturer under this subsection shall reduce the qualified automobile mandate requirement under subsection (b)(1) by 1 automobile for the model year to which the credit applies.

(3) RATE OF CREDIT ISSUANCE.—For each qualified automobile (except for automobiles described in subparagraphs (B) and (C) of subsection (a)(8)) manufactured for model year 2012, 2013, 2014, 2015, or 2016, the manufacturer shall be issued—

(A) 1.25 qualified automobile production credits if the combined fuel economy for such automobile is greater than 110 percent and less than 125 percent of the combined fuel economy of the model year 2002 inertia weight class;

(B) 1.5 qualified automobile production credits if the combined fuel economy for such automobile is at least 125 percent and less than 150 percent of the combined fuel economy of the model year 2002 inertia weight class;

(C) 2.0 qualified automobile production credits if the combined fuel economy for such automobile is at least 150 percent and less than 175 percent of the combined fuel economy of the model year 2002 inertia weight class; and

(D) 3.0 qualified automobile production credits if the combined fuel economy for such automobile is at least 175 percent of the combined fuel economy of the model year 2002 inertia weight class;

(4) DEFINED TERM.—For purposes of this paragraph, the term ''model year 2002 inertia weight class'' has the same meaning as the term ''vehicle inertia weight class'' as defined in Section 30B of the Internal Revenue Code of 1986.

(d) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall promulgate regulations to carry out this section.

SEC. 502. AVERAGE FUEL ECONOMY STANDARDS FOR AUTOMOBILES.

(a) INCREASED STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

''(a) NONPASSENGER AUTOMOBILES.—

''(1) ANNUAL PRESCRIPTION OF AVERAGE FUEL ECONOMY STANDARDS.—

''(A) IN GENERAL.—Not later than 18 months before the beginning of each model year, the Secretary of Transportation shall prescribe by regulation average fuel economy standards for nonpassenger automobiles manufactured by a manufacturer in that model year.

''(B) STANDARDS BASED ON CLASS.—The Secretary may prescribe separate standards for different classes of nonpassenger automobiles.

''(C) STANDARDS BASED ON VEHICLE ATTRIBUTES.—The Secretary may prescribe such standards based on vehicle attributes pursuant to subsection (j).

''(D) MINIMUM STANDARD.—Each standard prescribed under this paragraph shall be the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in that model year, consistent with subsection (e).

''(2) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2012 THROUGH 2014.—Not later than April 1, 2010, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2012, 2013, and 2014. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(3) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2015.—Not later than April 1, 2013, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2015—

''(A) at least 25.3 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(4) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2016 THROUGH 2019.—Not later than April 1, 2014, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2016, 2017, 2018, and 2019. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(5) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2020.—Not later than April 1, 2018, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2020—

''(A) at least 27.7 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(6) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2021 THROUGH 2024.—Not later than April 1, 2019, the Secretary shall establish average fuel economy standards for nonpassenger automobiles for each of the model years 2021, 2022, 2023, and 2024. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(7) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2025 AND THEREAFTER.—Not later than April 1, 2023, the Secretary shall establish the average fuel economy standard for nonpassenger automobiles for model year 2025 and each subsequent model year—

''(A) at least 30 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).''; and

(2) by amending subsection (b) to read as follows:

''(b) PASSENGER AUTOMOBILES.—

''(1) ANNUAL PRESCRIPTION OF AVERAGE FUEL ECONOMY STANDARDS.—

''(A) IN GENERAL.—Not later than 18 months before the beginning of each model year after model year 2011, the Secretary of Transportation shall prescribe by regulation average fuel economy standards for passenger automobiles manufactured by a manufacturer in that model year.

''(B) AUTHORITY FOR PRESCRIPTION OF DIFFERING STANDARDS BASED ON CLASS.—The Secretary may prescribe separate standards for different classes of passenger automobiles.

''(C) STANDARDS BASED ON VEHICLE ATTRIBUTES.—The Secretary may prescribe such standards based on vehicle attributes pursuant to subsection (j).

''(D) MINIMUM STANDARD.—Each standard prescribed under this paragraph shall be the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in that model year, consistent with subsection (e).

''(2) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEAR 2012.—Not later than April 1, 2010, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2012—

''(A) at least 29 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(3) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2013 THROUGH 2016.—Not later than April 1, 2011, the Secretary shall establish average fuel economy standards for passenger automobiles for each of the model years 2013, 2014, 2015, and 2016. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(4) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2017.—Not later than April 1, 2015, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2017—

''(A) at least 32.5 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by

the average fuel economy standard described in subparagraph (A).

''(5) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2018 THROUGH 2021.—Not later than April 1, 2016, the Secretary shall establish average fuel economy standards for passenger automobiles for model years 2018, 2019, 2020, and 2021. Each such standard shall be set at the maximum feasible average fuel economy level that the Secretary determines the manufacturers can achieve in each such model year.

''(6) AVERAGE FUEL ECONOMY STANDARD FOR MODEL YEARS 2022 AND THEREAFTER.—Not later than April 1, 2020, the Secretary shall establish the average fuel economy standard for passenger automobiles for model year 2022 and each subsequent model year—

''(A) at least 36 miles per gallon, consistent with paragraph (1)(D); or

''(B) if the Secretary prescribes average fuel economy standards on the basis of vehicle attributes pursuant to subsection (j), at a level that yields estimated fuel savings not less than those that would be achieved by the average fuel economy standard described in subparagraph (A).

''(7) MINIMUM FOR AVERAGE FUEL ECONOMY STANDARDS BASED ON VEHICLE ATTRIBUTES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, for any model year in which the Secretary prescribes average fuel economy standards for passenger automobiles on the basis of vehicle attributes pursuant to subsection (j), the average fuel economy standard for passenger automobiles manufactured by a manufacturer in that model year shall also provide for an alternative minimum standard that shall apply only to a manufacturer's domestically manufactured passenger automobiles, as calculated under section 32904 as in effect on the day before the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(B) ALTERNATIVE MINIMUM STANDARD.—The alternative minimum standard referred to in subparagraph (A) shall be the greater of—

''(i) 27.5 miles per gallon; or

''(ii) 92 percent of the average fuel economy projected by the Secretary for the combined domestic and foreign fleets manufactured for sale in the United States by all manufacturers in that model year, which projection shall be published in the Federal Register when the standard for that model year is promulgated in accordance with this section.

''(C) APPLICABILITY.—The alternative minimum standard under this paragraph shall apply to a manufacturer's domestically manufactured passenger automobiles only if the passenger automobile standard established on the basis of vehicle attributes pursuant to subsection (j), excluding any credits transferred by the manufacturer pursuant to subsection (g) from other categories of automobiles described in paragraph (5)(B), would allow that manufacturer to comply with a less stringent passenger automobile standard than the alternative minimum standard.''.

(b) REPEAL OF AUTHORITY TO AMEND PASSENGER AUTOMOBILE FUEL ECONOMY STANDARDS.—

(1) IN GENERAL.—Section 32902 of title 49, United States Code, is amended—

(A) by striking subsection (c); and

(B) by redesignating subsections (d) through (j) as subsections (c) through (i), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 32901(a)(12) of such title is amended by striking ''section 32902(d)'' and inserting ''section 32902(c)''.

(B) Section 32902 of such title is amended—

(i) in subsection (c)(1), as redesignated by paragraph (1)(B), by striking ''under subsection (b) or (c)'' and inserting ''under subsection (b)'';

(ii) in subsection (d)(2), as redesignated by paragraph (1)(B), by striking ''under subsection (a), (b), (c), or (d)'' and inserting ''under subsection (a), (b), or (c)'';

(iii) in subsection (f), as redesignated by paragraph (1)(B)—

(I) in paragraph (1)—

(aa) by striking ''under subsection (a) or (d)'' and inserting ''under subsection (a), (b), or (c)''; and

(bb) by striking ''of subsection (a) or (d)'' and inserting ''of subsection (a), (b), or (c)''; and

(II) in paragraph (2), by striking ''(and submit the amendment to Congress when required under subsection (c)(2) of this section)'';

(iv) in subsection (g), as redesignated by paragraph (1)(B), by striking ''carrying out subsections (c), (f), and (g)'' and inserting ''carrying out subsections (a), (b), (e), and (f)''; and

(v) in subsection (i), as redesignated by paragraph (1)(B), by striking ''under subsection (a), (c), or (g) of this section'' and inserting ''under subsection (a), (b), or (f)''.

(C) Section 32904(a)(1)(B) of such title is amended by striking ''section 32902(b)-(d)'' and inserting ''subsections (b) and (c) of section 32902''.

(D) Section 32907(a)(4) of such title is amended by striking ''section 32902(d)'' and inserting ''section 32902(c)''.

(E) Section 32909(b) of such title is amended by striking '', except that a petition for review'' and all that follows through ''referred to in section 32902(c)(2)''.

(F) Section 32917(b)(1)(B) of such title is amended by striking ''or (c)''.

(c) AUTHORITY OF THE SECRETARY TO PRESCRIBE STANDARDS BASED ON VEHICLE ATTRIBUTES.—Section 32902 of title 49, United States Code, as amended by this section, is further amended by adding at the end the following:

''(j) AUTHORITY OF THE SECRETARY TO PRESCRIBE STANDARDS BASED ON VEHICLE ATTRIBUTES.—

''(1) IN GENERAL.—The authority of the Secretary of Transportation to prescribe by regulation average fuel economy standards for passenger automobiles and nonpassenger automobiles includes the authority to prescribe standards based on vehicle attributes related to fuel economy and to express any such attribute-based standard in the form of a mathematical function.

''(2) TRANSITION PERIOD.—If the Secretary prescribes standards for passenger automobiles on the basis of vehicle attributes, the Secretary shall provide a transition period during the first 3 model years in which an attribute-based standard would apply during which each manufacturer may elect whether to comply with the attribute-based standard or with the single corporate average fuel economy level prescribed under subsection (b).

''(3) PRESCRIPTION OF STANDARDS FOR MULTIPLE YEARS.—The authority of the Secretary to prescribe by regulation average fuel economy standards for automobiles includes the authority to prescribe standards by issuing regulations governing more than 1 model year at a time, up to 5 consecutive model years.''.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 32901(a) of title 49, United States Code, is amended—

(A) by redesignating paragraph (16) as paragraph (17); and

(B) by inserting after paragraph (15) the following:

''(16) 'nonpassenger automobile' means an automobile that is not a passenger automobile; and''.

(2) Section 32903 of title 49, United States Code, is amended—

(A) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsections (b) and (c) of section 32902'';

(B) in subsection (a)(2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)''; and

(C) in subsection (e), by striking ''automobiles that are not passenger automobiles'' and inserting ''nonpassenger automobiles''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) TRANSITION FOR PASSENGER AUTOMOBILES.—The standard or standards for passenger automobiles under the authority of section 32902(b) of title 49, United States Code, in effect on the day before the date of the enactment of this Act, shall remain in effect until a standard for passenger automobiles is established under the authority of section 32902(b) of such title, as amended by this section.

(3) AVERAGE FUEL ECONOMY STANDARD FOR NONPASSENGER AUTOMOBILES IN MODEL YEARS THROUGH 2011.—The average fuel economy standard for nonpassenger automobiles, under the authority of section 32902(a) of such title for model years through 2011, shall be the standard described in the final rule issued by the National Highway Traffic Safety Administration entitled ''Average Fuel Economy Standards for Light Trucks Model Years 2008–2011'' (71 Fed. Reg. 17566), as amended in a notice published by the National Highway Traffic Safety Administration on April 14, 2006 (71 Fed. Reg. 19449).

SEC. 503. FUEL EFFICIENCY TARGET FOR COMMERCIAL MEDIUM-DUTY AND HEAVY-DUTY ON-HIGHWAY VEHICLES.

Section 32902 of title 49, United States Code, as amended by section 502, is further amended by adding at the end the following:

''(k) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLES.—

''(1) STUDY.—Not later than 18 months after the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Secretary of Transportation, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall examine the fuel efficiency of commercial medium- and heavy-duty on-highway vehicles and determine—

''(A) the appropriate test procedures and methodologies for measuring commercial medium- and heavy-duty on-highway vehicle fuel efficiency;

''(B) the appropriate metric for measuring and expressing commercial medium- and heavy-duty on-highway vehicle fuel efficiency performance, taking into consideration, among other things, the work performed by such on-highway vehicles and types of operations in which they are used;

''(C) the range of factors, including, without limitation, design, functionality, use, duty cycle, infrastructure, and total overall energy consumption and operating costs that effect commercial medium- and heavy-duty on-highway vehicle fuel efficiency; and

''(D) such other factors and conditions that could have an impact on a program to improve commercial medium- and heavy-duty on-highway vehicle fuel efficiency.

''(2) RULEMAKING.—Not later than 24 months after completion of the study required under paragraph (1), the Secretary of Transportation, in consultation with the Secretary of Energy and the Administrator

of the Environmental Protection Agency, and based on the results of that study, shall determine in a rulemaking procedure how to implement a commercial medium- and heavy-duty on-highway vehicle fuel efficiency improvement program and, as appropriate, shall adopt test methods, measurement metrics, fuel efficiency targets, and compliance and enforcement protocols that are appropriate, cost-effective, and technologically feasible for commercial medium- and heavy-duty on-highway vehicles.

''(3) LEAD-TIME; REGULATORY STABILITY.—Any commercial medium- and heavy-duty on-highway vehicle fuel efficiency regulatory program adopted pursuant to this subsection shall provide no less than 4 full model years of regulatory lead-time and 3 full model years of regulatory stability.

''(4) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLE DEFINED.—In this subsection, the term 'commercial medium- and heavy-duty on-highway vehicle' means a commercial on-highway vehicle with a gross vehicle weight rating of more than 10,000 pounds.''.

SEC. 504. CREDIT AVAILABILITY.

(a) IN GENERAL.—Section 32903 of title 49, United States Code, is amended—

(1) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsections (b) and (c) of section 32902'';

(2) in subsection (a)—

(A) by striking ''3 consecutive model years'' each place it appears and inserting ''5 consecutive model years''; and

(B) in paragraph (2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)'';

(3) in subsection (b)—

(A) in paragraph (1), by striking ''paragraph (2) of this subsection'' and inserting ''paragraph (2) and subsection (g)''; and

(B) in paragraph (2), by striking ''3 model years'' and inserting ''5 model years'';

(4) in subsection (e), by striking ''automobiles that are not passenger automobiles'' and inserting ''nonpassenger automobiles''; and

(5) by adding at the end the following:

''(g) CREDIT TRANSFERRING WITHIN A MANUFACTURER'S FLEET.—

''(1) AVERAGE FUEL ECONOMY CREDIT TRANSFERRING PROGRAM.—The Secretary of Transportation shall establish, by regulation, a corporate average fuel economy credit transferring program to allow any manufacturer whose automobiles exceed any of the average fuel economy standards prescribed under section 32902 to transfer the credits earned under this section and to apply them within that manufacturer's fleet to a compliance category of automobiles that fails to achieve the prescribed standards.

''(2) AVAILABILITY OF CREDITS TRANSFERRED.—Credits transferred under this section are available to be used in the same model years that the manufacturer could have applied them under subsections (a), (b), (d) and (e) as well as for the model year in which the manufacturer earned them. The maximum increase in any compliance category attributable to transferred credits is 1.0 mile per gallon in any single model year.

''(3) LIMITATION ON CREDIT TRANSFERS TO CATEGORY OF PASSENGER AUTOMOBILES.—In the case of transfers to the category of automobiles described in paragraph 5(B)(i), the transfer is limited to the extent that the fuel economy level of the manufacturer's fleet of passenger automobiles manufactured domestically shall comply with the provisions established under section 32902(b)(7), excluding any transfers from other categories of automobiles described in paragraph 5(B).

''(4) EFFECTIVE DATE.—A credit transferred in conformance with this section may only be so transferred if such credit is earned no earlier than the first model year after the date of the enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

''(5) DEFINITIONS.—In this subsection:

''(A) FLEET.—The term 'fleet' means all automobiles manufactured by a manufacturer in a given model year.

''(B) COMPLIANCE CATEGORY OF AUTOMOBILES.—The term 'compliance category of automobiles' means any of the 3 categories of automobiles for which compliance is separately calculated under this chapter, namely—

''(i) passenger automobiles manufactured domestically;

''(ii) passenger automobiles not manufactured domestically; and

''(iii) nonpassenger automobiles.''.

(b) FLEXIBLE FUELED VEHICLES.—

(1) EXTENSION OF ALTERNATIVE FUEL AUTOMOBILES MANUFACTURING INCENTIVES.—Section 32905 of title 49, United States Code, is amended—

(A) by striking ''1993–2010'' each place it appears and inserting ''1993 through 2020.'';

(B) by striking subsections (f) and (g); and

(C) by redesignating subsection (h) as subsection (f).

(2) EXTENSION OF MAXIMUM INCREASE PERIOD.—Section 32906(a) of title 49, United States Code, is amended—

(A) by striking ''1993–2010'' and inserting ''1993 through 2020'';

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''(A)''; and

(ii) by striking subparagraph (B); and

(C) in paragraph (2), by striking ''described—'' and all that follows and inserting ''is more than 1.2 miles per gallon, the limitation in paragraph (1) applies.''.

SEC. 505. RESEARCH ON AND DEVELOPMENT OF LEAP-AHEAD TECHNOLOGY.

(a) PROGRAM.—The Secretary of Energy (referred to in this section as the ''Secretary''), in cooperation with heads of other Federal agencies, shall carry out a comprehensive program to develop advanced vehicle technologies (including associated components and parts) that will offer—

(1) the potential for significantly-improved fuel economy; and

(2) significant reductions in emissions.

(b) COMPONENTS.—The program carried out under subsection (a) shall include research and development in the areas of—

(1) advanced lightweight materials;

(2) advanced battery technology and battery systems;

(3) hybrid systems, including—

(A) power electronics, electric motors, power control units, and power controls;

(B) hydraulic accumulators or other energy storage devices; and

(C) testing and analysis;

(4) plug-in hybrids;

(5) advanced clean diesel;

(6) hydrogen internal combustion engines;

(7) fuel cell technology;

(8) hydrogen storage;

(9) fuel cell membranes;

(10) cellulosic ethanol;

(11) biodiesel fuel;

(12) biodiesel fuel and technology;

(13) ethanol and biofuels technology; and

(14) such other related areas as the Secretary determines to be appropriate.

(c) ADVANCED LIGHTWEIGHT MATERIALS.—In carrying out this section, the Secretary shall carry out an advanced lightweight materials research and development program the primary focuses of which shall include—

(1) the provision of—

(A) technical advice for compliance with applicable Federal and State environmental requirements;

(B) assistance in identifying supply sources and securing long-term contracts; and

(C) public outreach, education, and labeling materials; and

(2) the development of—

(A) low-cost, durable, abuse-tolerant lithium ion-based chemistries or other advanced chemistries;

(B) advanced lightweight steels that provide a 30-percent weight reduction;

(C) advanced lightweight metals (such as magnesium, aluminum, and titanium);

(D) advanced composites, particularly carbon fiber precursors and forming; and

(E) advanced forming and joining processes for lightweight materials, including mixed materials (such as combinations of steel, aluminum, magnesium, and carbon fiber into a single assembly or vehicle).

(d) ADVANCED BATTERIES.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall carry out an advanced battery program the primary focuses of which shall be—

(A) research in the chemistry of exploratory battery technologies (other than lithium ion batteries); and

(B) battery and battery systems production process research and development.

(2) INDUSTRY ALLIANCE.—In carrying out the advanced battery program under this subsection, the Secretary shall competitively select an Industry Alliance to represent participants who are private, for-profit firms headquartered in the United States, the primary business of which is the manufacturing of batteries and battery systems.

(3) RESEARCH.—

(A) GRANTS.—The Secretary shall carry out research activities of the Initiative through competitively-awarded grants to—

(i) researchers, including Industry Alliance participants;

(ii) small businesses;

(iii) National Laboratories; and

(iv) institutions of higher education.

(B) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance—

(i) comments to identify advanced battery technology needs relevant to electric drive technology;

(ii) an assessment of the progress of research activities of the Initiative; and

(iii) assistance in annually updating advanced battery technology road maps.

(4) AVAILABILITY TO THE PUBLIC.—The information and road maps developed under this subsection shall be available to the public.

(5) PREFERENCE.—In making awards under this subsection, the Secretary shall give preference to participants in the Industry Alliance.

(6) COST SHARING.—In carrying out this subsection, the Secretary shall require cost sharing in accordance with section 120(b) of title 23, United States Code.

(e) HYBRID SYSTEMS.—In carrying out this section, the Secretary shall carry out a program relating to hybrid systems, the primary focus of which shall be research on and development of—

(1) advanced electric traction systems and wheel motors;

(2) advanced power electronics;

(3) systems integration; and

(4) hydraulic accumulators or other energy storage devices.

(f) PLUG-IN HYBRIDS.—In carrying out this section, the Secretary shall carry out a program relating to plug-in hybrids, the primary focus of which shall be—

(1) research on and development of advanced batteries with appropriate power to energy ratios necessary for minimum electric range and vehicle performance, such as acceleration; and

(2) the early demonstration of vehicles and infrastructure through the provision of procurement assistance to fleet purchasers.

(g) ADVANCED CLEAN DIESEL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to diesel combustion and emissions, the primary focuses of which shall be—

(1) the development of clean-burn and after treatment technologies, including advanced low-temperature combustion (including homogeneous charge compression-ignition);

(2) the development of mixed mode operation that combines attributes of compression- and spark-ignition engine technologies;

(3) the integration of advanced technologies, including increased expansion ratio, variable valve timing, reduced friction, and improved exhaust gas heat recovery;

(4) the development of NO_x after treatment systems, including absorber-catalysts, selective catalytic reduction, and lean NO_x catalysts;

(5) the development of particulate matter after treatment systems;

(6) the development of powertrain integration of engine and after treatment systems; and

(7) enhancements in durability and reliability and reduction of costs.

(h) HYDROGEN INTERNAL COMBUSTION ENGINES.—In carrying out this section, the Secretary shall carry out a program of research and development relating to hydrogen internal combustion engines, the primary focuses of which shall be—

(1) to advance hydrogen internal combustion engine technology to a level at which the robustness and durability of such an engine would be acceptable to real-world customers; and

(2) to use those engines to provide an affordable transition to a hydrogen economy by creating a demand for hydrogen refueling infrastructure and bridging to hydrogen-powered fuel cells.

(i) FUEL CELL TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to fuel cell technology, the primary focuses of which shall be research on and development of—

(1) fuel cell stack components and fuel cell manufacturing processes; and

(2) materials resistant to hydrogen embrittlement.

(j) HYDROGEN STORAGE.—In carrying out this section, the Secretary shall carry out a program of research and development relating to hydrogen storage, the primary focus of which shall be research on and development of competitive storage methods for sufficient quantities of hydrogen onboard a vehicle (including a demonstration of hydrogen refueling infrastructure for not less than 10 nor more than 20 stations)—

(1) to enable increased development and use of hydrogen internal combustion engines and hydrogen-powered fuel cell vehicles; and

(2) to meet or surpass the customer-discernable attributes of vehicles available as of the date of enactment of this Act with respect to range and cost per mile.

(k) FUEL CELL MEMBRANES.—In carrying out this section, the Secretary shall carry out a program of research and development relating to fuel cell membranes, the primary focuses of which shall be—

(1) the achievement of a fundamental understanding of the catalytic materials for fuel cells; and

(2) the development of low-cost fuel cell membranes.

(l) CELLULOSIC ETHANOL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to cellulosic ethanol, the primary focus of which shall be research on and development of enzymes necessary for the production of cellulosic ethanol.

(m) BIODIESEL FUEL.—In carrying out this section, the Secretary shall carry out a program of research and development relating to biodiesel fuel, the primary focuses of which shall be—

(1) the development of a national B–20 standard;

(2) fundamental research on biomass-to-liquid alternatives;

(3) total lifecycle analyses of the total potential for petroleum replacement, total fossil fuel replacement, or greenhouse gas reductions for biodiesel options;

(4) an assessment of feedstock options; and

(5) an assessment of the effects on engine durability and reliability including the effects due to fuel quality variations, stability, and degradation parameters.

(n) BIODIESEL FUEL AND TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to biodiesel fuel, the primary focuses of which shall be—

(1) the evaluation and optimization of B–100 processing variables to enhance blendstock stability, maintain uniform quality and specifications, and reduce cost;

(2) the development and expansion of processing, blending, and distribution infrastructure;

(3) the development of standardized labeling and dispensing of equipment information;

(4) establishment of a consumer education outreach program;

(5) assessment and evaluation of biodiesel on advanced engine (such as high-pressure injector) and after treatment components; and

(6) assessment of the effects of biodiesel on advanced combustion clean-burn strategies.

(o) ETHANOL AND BIOFUELS TECHNOLOGY.—In carrying out this section, the Secretary shall carry out a program of research and development relating to ethanol and biofuels technology, the primary focus of which shall be research and development into—

(1) ethanol and biofuels transport systems, such as truck, rail, and pipelines;

(2) advanced high-efficiency combustion research for fuels, such as E–85;

(3) materials compatibility for E–85 fuel;

(4) E–85 vehicle engineering and calibration to speed conversion of systems; and

(5) advanced combustion and after-treatment systems to support fuel efficiency gains

(p) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) to carry out subsection (a), $60,000,000 for each of fiscal years 2008 through 2012;

(2) to carry out subsection (b), $143,000,000 for each of the fiscal years 2008 through 2012;

(3) to conduct research and development into hybrid systems (power electronics, electric motors, hydraulic accumulators, other energy storage devices, testing, and analysis), $64,000,000 for each of the fiscal years 2008 through 2012;

(4) to conduct research and development into plug-in hybrids, $56,000,000 for each of the fiscal years 2008 through 2012;

(5) to conduct research and development into advanced clean diesel, $54,000,000 for each of the fiscal years 2008 through 2010;

(6) to conduct research and development into hydrogen internal combustion engines, $11,000,000 for each of the fiscal years 2008 through 2012;

(7) to conduct research and development into fuel cell technology, $40,000,000 for each of the fiscal years 2008 through 2012;

(8) to conduct research and development into hydrogen storage, $88,000,000 for each of the fiscal years 2008 through 2012;

(9) to conduct research and development into fuel cell membranes, $64,000,000 for each of the fiscal years 2008 through 2012;

(10) to conduct research and development into cellulosic ethanol, $340,000,000 for each of the fiscal years 2008 through 2012;

(11) to conduct research and development into biodiesel fuel and technology, $7,000,000 for each of the fiscal years 2008 through 2012; and

(12) to conduct research and development into ethanol biofuels technology, $23,000,000 for each of the fiscal years 2008 through 2012.

SEC. 506. LABELS FOR FUEL ECONOMY AND GREENHOUSE GAS EMISSIONS.

Section 32908(b) of title 49, United States Code, is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraph (F) as subparagraph (H); and

(B) by inserting after subparagraph (E) the following:

''(F) a label (or a logo imprinted on a label required by this paragraph) that—

''(i) reflects an automobile's performance on the basis of criteria developed by the Administrator to reflect the fuel economy and greenhouse gas and other emissions consequences of operating the automobile over its likely useful life;

''(ii) permits consumers to compare performance results under clause (i) among all automobiles; and

''(iii) is designed to encourage the manufacture and sale of automobiles that meet or exceed applicable fuel economy standards under section 32902.

''(G) a fuelstar under paragraph (5).''; and

(2) by adding at the end the following:

''(4) GREEN LABEL PROGRAM.—

''(A) MARKETING ANALYSIS.—Not later than 2 years after the date of the enactment of the Ten-in-Ten Fuel Economy Act, the Administrator shall implement a consumer education program and execute marketing strategies to improve consumer understanding of automobile performance described in paragraph (1)(F).

''(B) ELIGIBILITY.—Not later than 3 years after the date described in subparagraph (A), the Administrator shall issue requirements for the label or logo required under paragraph (1)(F) to ensure that an automobile is not eligible for the label or logo unless it—

''(i) meets or exceeds the applicable fuel economy standard; or

''(ii) will have the lowest greenhouse gas emissions over the useful life of the vehicle of all vehicles in the vehicle attribute class to which it belongs in that model year.

''(5) FUELSTAR PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a program, to be known as the 'Fuelstar Program', under which stars shall be imprinted on or attached to the label required by paragraph (1).

''(B) GREEN STARS.—Under the Fuelstar Program, a manufacturer may include on the label maintained on an automobile under paragraph (1)—

''(i) 1 green star for any automobile that meets the average fuel economy standard for the model year under section 32902;

''(ii) 1 additional green star for each 2 miles per gallon by which the automobile exceeds such standard; and

''(iii) 1 additional green star for the use of thermal management technologies, including energy efficient air conditioning systems, glass, and powertrain systems.

''(C) GOLD STARS.—Under the Fuelstar Program, a manufacturer may include a gold star on the label maintained on an automobile under paragraph (1) if the automobile

attains a fuel economy of at least 50 miles per gallon.''.

SEC. 507. NATIONAL ACADEMY OF SCIENCES STUDIES.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Transportation shall execute an agreement with the National Academy of Sciences to develop a report evaluating vehicle fuel economy standards, including—

(1) an assessment of automotive technologies and costs to reflect developments since the Academy's 2002 report evaluating the corporate average fuel economy standards was conducted;

(2) an analysis of existing and potential technologies that may be used practically to improve automobile fuel economy;

(3) an analysis of how such technologies may be practically integrated into the automotive manufacturing process; and

(4) an assessment of how such technologies may be used to meet the new fuel economy standards under chapter 329 of title 49, United States Code, as amended by this title.

(b) QUINQUENNIAL UPDATES.—After submitting the initial report, the Academy shall update the report at 5 year intervals thereafter through 2025.

(c) REPORT.—The Academy shall submit the report to the Secretary, the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce, with its findings and recommendations no later than 18 months after the date on which the Secretary executes the agreement with the Academy.

SEC. 508. STANDARDS FOR EXECUTIVE AGENCY AUTOMOBILES.

(a) IN GENERAL.—Section 32917 of title 49, United States Code, is amended to read as follows:

''§ 32917. Standards for Executive agency automobiles

''(a) FUEL EFFICIENCY.—The head of an Executive agency shall ensure that each new automobile procured by the Executive agency is as fuel efficient as practicable.

''(b) DEFINITIONS.—In this section:

''(1) EXECUTIVE AGENCY.—The term 'Executive agency' has the meaning given that term in section 105 of title 5.

''(2) NEW AUTOMOBILE.—The term 'new automobile', with respect to the fleet of automobiles of an executive agency, means an automobile that is leased for at least 60 consecutive days or bought, by or for the Executive agency, after September 30, 2008. The term does not include any vehicle designed for combat-related missions, law enforcement work, or emergency rescue work.''.

(b) REPORT.—The Administrator of the General Services Administration shall develop a report describing and evaluating the efforts of the heads of the Executive agencies to comply with section 32917 of title 49, United States Code, for fiscal year 2009. The Administrator shall submit the report to Congress no later than December 31, 2009.

SA 1714. Mr. SCHUMER (for Mr. KENNEDY) proposed an amendment to the bill H.R. 1429, to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Head Start for School Readiness Act''.

SEC. 2. STATEMENT OF PURPOSE.

Section 636 of the Head Start Act (42 U.S.C. 9831) is amended to read as follows:

''SEC. 636. STATEMENT OF PURPOSE.

''It is the purpose of this subchapter to promote the school readiness of low-income children by enhancing their cognitive and social development—

''(1) with a learning environment that supports cognitive development (including the growth of language, pre-literacy, and prematheamtics skills) and the growth of social, emotional, and physical skills; and

''(2) through the provision to low-income children and their families of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary.''.

SEC. 3. DEFINITIONS.

Section 637 of the Head Start Act (42 U.S.C. 9832) is amended—

(1) in paragraph (2), by inserting ''(including a community-based organization, as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801))'' after ''nonprofit'';

(2) in paragraph (3)(C), by inserting '', including financial literacy,'' after ''Parent literacy'';

(3) in paragraph (17), by striking ''Mariana Islands,'' and all that follows and inserting ''Mariana Islands.''; and

(4) by adding at the end the following:

''(18) The term 'deficiency' means—

''(A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves—

''(i) a threat to the health, safety, or civil rights of children or staff;

''(ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations;

''(iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;

''(iv) the misuse of funds under this subchapter;

''(v) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or

''(vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;

''(B) systemic failure of the board of directors of an agency to fully exercise its legal and fiduciary responsibilities;

''(C) substantial failure of an agency to meet the administrative requirements of section 644(b);

''(D) failure of an agency to demonstrate that the agency attempted to meet the coordination and collaboration requirements with entities described in section 640(a)(5)(D)(ii)(I); or

''(E) having an unresolved area of noncompliance.

''(19) The term 'homeless child' means a child described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)).

''(20) The term 'institution of higher education' has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

''(21) The term 'interrater reliability' means the extent to which 2 or more independent raters or observers consistently obtain the same result when using the same assessment tool.

''(22) The term 'limited English proficient', used with respect to a child, means a child—

''(A) who is enrolled or preparing to enroll in a Head Start program (which may include an Early Head Start program), or other early care and education program;

''(B)(i) who was not born in the United States or whose native language is a language other than English;

''(ii)(I) who is a Native American, Alaska Native, or a native resident of an outlying area (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)); and

''(II) who comes from an environment where a language other than English has had a significant impact on the child's level of English language proficiency; or

''(iii) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

''(C) whose difficulties in speaking or understanding the English language may be sufficient to deny such child—

''(i) the ability to successfully achieve in a classroom in which the language of instruction is English; or

''(ii) the opportunity to participate fully in society.

''(23) The term 'unresolved area of noncompliance' means failure to correct a noncompliance item within 120 days, or within such additional time (if any) authorized by the Secretary, after receiving from the Secretary notice of such noncompliance item, pursuant to section 641A(d).''.

SEC. 4. FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS.

Section 638 of the Head Start Act (42 U.S.C. 9833) is amended by inserting ''for a period of 5 years'' after ''provide financial assistance to such agency''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended to read as follows:

''SEC. 639. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated for carrying out the provisions of this subchapter $7,350,000,000 for fiscal year 2008, $7,650,000,000 for fiscal year 2009, $7,995,000,000 for fiscal year 2010, and such sums as may be necessary for each of fiscal years 2011 and 2012.

''(b) SPECIFIC PROGRAMS.—From the amount appropriated under subsection (a), the Secretary shall make available to carry out research, demonstration, and evaluation activities, including longitudinal studies under section 649, not more than $20,000,000 for fiscal year 2008, and such sums as may be necessary for each of fiscal years 2009 through 2012, of which not more than $7,000,000 for each of fiscal years 2008 through 2012 shall be available to carry out impact studies under section 649(g).''.

SEC. 6. ALLOTMENT OF FUNDS.

(a) ALLOTMENT.—Section 640(a) of the Head Start Act (42 U.S.C. 9835(a)) is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A) and inserting the following:

''(A) Indian Head Start programs, services for children with disabilities, and migrant and seasonal Head Start programs, except that the Secretary shall reserve for each fiscal year for use by Indian Head Start and migrant and seasonal Head Start programs (referred to in this paragraph as 'covered programs'), on a nationwide basis, a sum that is the total of a percentage specified by the Secretary that is not less than 4 percent of the amount appropriated under section 639 for that fiscal year (for Indian Head Start programs) and a percentage specified by the Secretary that is not less than 5 percent of that appropriated amount (for migrant and seasonal Head Start programs) (referred to in this paragraph as the 'specified percentages'), except that—

''(i) if reserving the specified percentages would reduce the number of children served

by Head Start programs, relative to the number of children served on the date of enactment of the Head Start for School Readiness Act, taking into consideration an appropriate adjustment for inflation, the Secretary shall reserve percentages that approach, as closely as practicable, the specified percentages and that do not cause such a reduction; and

''(ii) notwithstanding any other provision of this subparagraph, the Secretary shall reserve for each fiscal year for use by Indian Head Start programs and by migrant and seasonal Head Start programs, on a nationwide basis, not less than the amount that was obligated for use by Indian Head Start programs and by migrant and seasonal Head Start programs for the previous fiscal year;'';

(B) by striking subparagraph (C) and inserting the following:

''(C) training and technical assistance activities that are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities as described in any of paragraphs (1) through (18) of section 648(d), in an amount for each fiscal year that is not less than 2 percent of the amount appropriated under section 639 for such fiscal year, of which—

''(i) 50 percent shall be made available to Head Start agencies to use directly, or by establishing local or regional agreements with community experts, institutions of higher education, or private consultants, for any of the following training and technical assistance activities, including—

''(I) activities that ensure that Head Start programs meet or exceed the performance standards described in section 641A(a)(1);

''(II) activities that ensure that Head Start programs have adequate numbers of trained, qualified staff who have skills in working with children and families, including children who are limited English proficient and their families and children with disabilities;

''(III) activities to pay expenses, including direct training for expert consultants working with any staff, to improve the management and implementation of Head Start services and systems;

''(IV) activities that help ensure that Head Start programs have qualified staff who can promote language skills and literacy growth of children and who can provide children with a variety of skills that have been identified as predictive of later reading achievement, school success, and the skills, knowledge, abilities, development, and progress described in section 641A(a)(1)(B)(ii);

''(V) activities to improve staff qualifications and to assist with the implementation of career development programs and to encourage the staff to continually improve their skills and expertise, including developing partnerships with programs that recruit, train, place, and support college students in Head Start centers to deliver an innovative early childhood development program to preschool children;

''(VI) activities that help local programs ensure that the arrangement, condition, and implementation of the learning environments in Head Start programs are conducive to providing effective program services to children and families;

''(VII) activities to provide training necessary to improve the qualifications of Head Start staff and to support staff training, child counseling, health services, and other services necessary to address the needs of children enrolled in Head Start programs, including children from families in crises, children who experience chronic violence or homelessness, children who experience substance abuse in their families, and children under 3 years of age, where applicable;

''(VIII) activities to provide classes or in-service-type programs to improve or enhance parenting skills, job skills, adult and family literacy, including financial literacy, or training to become a classroom aide or bus driver in a Head Start program;

''(IX) additional activities determined appropriate for the improvement of Head Start agencies' programs, as determined in the agencies' technical assistance and training plans; or

''(X) any other activities regarding the use of funds as determined by the Secretary;

''(ii) 50 percent shall be made available to the Secretary—

''(I) to provide directly training and technical assistance on early childhood education and care or to support, through grants or other arrangements, a State system of training and technical assistance (which may include such a system for a consortium of States within a region); and

''(II) to assist local programs (including Indian Head Start programs and migrant and seasonal Head Start programs) in meeting the performance standards described in section 641A(a)(1); and

''(iii) not less than $3,000,000 of the amount in clause (ii) appropriated for such fiscal year shall be made available to carry out activities described in section 648(d)(4);'';

(C) in subparagraph (D), by striking ''agencies;'' and inserting ''agencies);''; and

(D) by adding at the end of the flush matter at the end the following: ''In no case shall the Secretary use funds appropriated under this subchapter to expand or create additional slots or services in non-Indian and non-migrant and seasonal Head Start programs until the amounts based on the specified percentages for Indian Head Start programs and migrant and seasonal Head Start programs pursuant to subparagraph (A) are reached. The Secretary shall require each Head Start agency to report at the end of each budget year on how funds provided to carry out subparagraph (C)(i) were used.'';

(2) in paragraph (3)—

(A) in subparagraph (A)(i)(I)—

(i) by striking ''60 percent of such excess amount for fiscal year 1999'' and all that follows through ''2003;''; and

(ii) by inserting the following: ''30 percent of such excess amount for fiscal year 2008, and 40 percent of such excess amount for each of fiscal years 2009 through 2012;'';

(B) in subparagraph (B)—

(i) in clause (i), by striking ''performance standards'' and all that follows and inserting ''performance standards pursuant to section 641A(a)(1).'';

(ii) by striking clause (ii) and inserting the following:

''(ii) Ensuring that such programs have adequate numbers of qualified staff, and that such staff is furnished adequate training, including training to promote the development of language, premathematics, and pre-literacy skills in young children and in working with limited English proficient children, children in foster care, children referred by child welfare services, and children with disabilities, when appropriate.'';

(iii) by striking clause (iii) and inserting the following:

''(iii) Developing and financing the salary scales and benefits standards under section 644(a) and section 653, in order to ensure that salary levels and benefits are adequate to attract and retain qualified staff for such programs.'';

(iv) by striking clause (iv) and inserting the following:

''(iv) Using salary increases to—

''(I) assist with the implementation of quality programs and improve staff qualifications;

''(II) ensure that staff can promote the language skills and literacy growth of children and can provide children with a variety of skills that have been identified, through scientifically based early reading research, as predictive of later reading achievement, as well as the skills, knowledge, abilities, development, and progress described in section 641A(a)(1)(B)(ii); and

''(III) encourage the staff to continually improve their skills and expertise—

''(aa) through the implementation of career development programs; and

''(bb) through the completion of postsecondary coursework in early childhood education.'';

(v) in clause (v)—

(I) by striking ''community-wide'' and inserting ''communitywide''; and

(II) by inserting '', including collaborations to increase program participation by underserved populations of eligible children'' before the period; and

(vi) by striking clauses (vii) and (viii) and inserting the following:

''(vii) Providing assistance to complete postsecondary coursework, to enable Head Start teachers to improve competencies and the resulting child outcomes, including informing the teachers of the availability of Federal and State incentive and loan forgiveness programs.

''(viii) Promoting the regular attendance and stability of all Head Start children with particular attention to highly mobile children, including children of migrant or seasonal farmworkers (where appropriate), homeless children, and children in foster care.

''(ix) Making such other improvements in the quality of such programs as the Secretary may designate.'';

(C) in subparagraph (C)—

(i) in clause (i)(I), by striking the last sentence and inserting ''Salary increases, in excess of cost-of-living allowances, provided with such funds shall be subject to the specific standards governing salaries and salary increases established pursuant to section 644(a).'';

(ii) in clause (ii)—

(I) in the matter preceding subclause (I), by striking ''education performance'' and all that follows through ''641A(a)(1)(B)''and inserting ''standards and measures described in section 641A'';

(II) in subclause (I), by inserting '', pre-literacy,'' after ''language'';

(III) by striking subclause (II) and inserting the following:

''(II) to help limited English proficient children attain the knowledge, skills, abilities, and development specified in section 641A(a)(1)(B)(ii) and to promote the acquisition of the English language by such children and their families;''; and

(IV) by striking subclause (IV) and inserting the following:

''(IV) to provide education and training necessary to improve the qualifications of Head Start staff, particularly assistance to enable more instructors to be fully competent and to meet the degree requirements under section 648A(a)(2)(A), and to support staff training, child counseling, and other services necessary to address the challenges of children participating in Head Start programs, including children from immigrant, refugee, and asylee families, children from families in crisis, homeless children, children in foster care, children referred to Head Start programs by child welfare agencies, and children who are exposed to chronic violence or substance abuse.'';

(iii) in clause (iii), by inserting '', educational staff who have the qualifications described in section 648A(a),'' after ''ratio'';

(iv) in clause (v), by striking ''programs, including'' and all that follows and inserting ''programs.'';

(v) by redesignating clause (vi) as clause (x); and

(vi) by inserting after clause (v) the following:

''(vi) To conduct outreach to homeless families in an effort to increase the program participation of homeless children.

''(vii) To conduct outreach to migrant and seasonal farmworker families and families with limited English proficient children.

''(viii) To partner with institutions of higher education and nonprofit organizations, including community-based organizations, that recruit, train, place, and support college students, to serve as mentors and reading partners to preschool children in Head Start programs.

''(ix) To upgrade the qualifications and skills of educational personnel to meet the professional standards described in section 648A(a)(1), including certification and licensure as bilingual education teachers, as teachers of English as a second language, and for other educational personnel who serve limited English proficient children.'';

(3) in paragraph (4), in the first sentence—

(A) in subparagraph (A), by striking ''1998'' and inserting ''2007''; and

(B) by striking subparagraph (B) and inserting the following:

''(B) any amount available after all allotments are made under subparagraph (A) for such fiscal year shall be distributed as follows:

''(i) Each State shall receive an amount sufficient to serve the same number of children in Head Start programs in each State as were served on the date of enactment of the Head Start for School Readiness Act, taking into consideration an appropriate adjustment for inflation.

''(ii) After ensuring that each State has received the amount described in clause (i), the Secretary shall distribute the remaining balance, by—

''(I) distributing 65 percent of the balance among the States serving less than 60 percent (as determined by the Secretary) of children who are 3 or 4 years of age from families whose income is below the poverty line, by allotting to each of those States an amount that bears the same relationship to that 65 percent as the number of children who are less than 5 years of age from families whose income is below the poverty line (referred to in this clause as 'young low-income children') in that State bears to the number of young low-income children in all those States; and

''(II) distributing 35 percent of the balance among the States, by allotting to each State an amount that bears the same relationship to that 35 percent as the number of young low-income children in that State bears to the number of young low-income children in all the States.'';

(4) in paragraph (5)—

(A) in subparagraph (A), by inserting after ''paragraph (4)'' the following: ''(and amounts reserved, before such allotments, for national administrative offices)'';

(B) by redesignating subparagraphs (E) and (F) as subparagraphs (G) and (H), respectively;

(C) by striking subparagraphs (B), (C), and (D) and inserting the following:

''(B)(i) From the reserved sums, the Secretary shall award a collaboration grant to each State and to each national administrative office serving Indian Head Start programs and migrant and seasonal Head Start programs to facilitate collaboration between Head Start agencies and entities (including the State or national administrative office) that carry out other activities designed to benefit low-income families and children from birth to school entry. The national administrative offices shall use the funds made available through the grants to carry out the authorities and responsibilities described in subparagraphs (B) and (C).

''(ii) Grants described in clause (i) shall be used to—

''(I) assist Head Start agencies to collaborate with entities involved in State and local planning processes to better meet the needs of low-income families and children from birth to school entry;

''(II) assist Head Start agencies to coordinate activities with the State agency responsible for administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and entities providing resource and referral services in the State, to make full-working-day and full calendar year services available to children;

''(III) promote alignment of Head Start services with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(IV) promote better linkages between Head Start agencies and other child and family agencies, including agencies that provide health, mental health, or family services, or other child or family supportive services, such as services provided under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.); and

''(V) carry out the activities of the State Director of Head Start Collaboration authorized in subparagraph (D).

''(C) In order to improve coordination and delivery of early childhood education and care to children in the State, a State that receives a collaboration grant under subparagraph (B) shall—

''(i) appoint or designate an individual to serve as, or carry out the responsibilities of, the State Director of Head Start Collaboration;

''(ii) ensure that the State Director of Head Start Collaboration holds a position with sufficient authority and access to ensure that the collaboration described in subparagraph (B) is effective and involves a range of State agencies; and

''(iii) involve the State Head Start Association in the selection of the Director and involve the Association in determinations relating to the ongoing direction of the collaboration office involved.

''(D) The State Director of Head Start Collaboration, shall—

''(i) not later than 1 year after the State receives a collaboration grant under subparagraph (B), conduct an assessment that—

''(I) addresses the needs of Head Start agencies in the State with respect to collaboration, coordination of services, and alignment of services with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards;

''(II) shall be updated on an annual basis; and

''(III) shall be made available to the general public within the State;

''(ii) develop a strategic plan that is based on the assessment described in clause (i) that will—

''(I) enhance collaboration and coordination of Head Start services with other entities providing early childhood education and care (such as child care or services offered by museums), health care, mental health care, welfare, child protective services, education and community service activities, family literacy services, reading readiness programs (including such programs offered by public and school libraries), services relating to children with disabilities, other early childhood education and care for limited English proficient children and homeless children, and services provided for children in foster care and children referred to Head Start programs by child welfare agencies, including agencies and State officials responsible for such services;

''(II) assist Head Start agencies to develop a plan for the provision of full-working-day, full calendar year services for children enrolled in Head Start programs who need such care;

''(III) assist Head Start agencies to align services with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards; and

''(IV) enable Head Start agencies in the State to better access professional development opportunities for Head Start staff, such as by—

''(aa) working with local Head Start agencies to meet the degree requirements described in section 648A(a)(2)(A), including providing distance learning opportunities for Head Start staff, where needed to make higher education more accessible to Head Start staff; and

''(bb) enabling the State Head Start agencies to better conduct outreach to eligible families;

''(iii) promote partnerships between Head Start agencies, State and local governments, and the private sector to help ensure that children from low-income families, who are in Head Start programs or are preschool age, are receiving comprehensive services to prepare the children to enter school ready to learn;

''(iv) consult with the chief State school officer, local educational agencies, and providers of early childhood education and care, regarding early childhood education and care at both the State and local levels;

''(v) promote partnerships (such as the partnerships involved with the Free to Grow initiative) between Head Start agencies, schools, law enforcement, relevant community-based organizations, and substance abuse and mental health treatment agencies to strengthen family and community environments and to reduce the impact on child development of substance abuse, child abuse, domestic violence, and other high risk behaviors that compromise healthy development;

''(vi) promote partnerships between Head Start agencies and other organizations in order to enhance the Head Start curriculum, including partnerships to promote inclusion of more books in Head Start classrooms and partnerships to promote coordination of activities with the Ready-to-Learn Television program carried out under subpart 3 of part D of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6775 et seq.); and

''(vii) identify other resources and organizations (both public and private) for the provision of in-kind services to Head Start agencies in the State.

''(E)(i) The Governor of the State shall—

''(I) designate or establish a council to serve as the State Advisory Council on Early Childhood Education and Care, for children from birth to school entry (in this subchapter referred to as the 'State Advisory Council'); and

''(II) designate an individual to coordinate activities of the State Advisory Council, as described in clause (iv)(I).

''(ii) The Governor may designate an existing entity to serve as the State Advisory Council, if the entity includes representatives consistent with clause (iii).

''(iii) Members of the State Advisory Council shall include, to the maximum extent possible—

''(I) the State Director of Head Start Collaboration;

''(II) a representative of the State educational agency and local educational agencies;

''(III) a representative of institutions of higher education;

''(IV) a representative (or representatives) of the State agency (or agencies) responsible for health or mental health care;

''(V) a representative of the State agency responsible for professional standards, certification, and licensing for early childhood educators;

''(VI) a representative of the State agency responsible for child care;

''(VII) early childhood educators, including professionals with expertise in second language acquisition and instructional strategies in teaching limited English proficient children;

''(VIII) kindergarten teachers and teachers in grades 1 through 3;

''(IX) health care professionals;

''(X) child development specialists, including specialists in prenatal, infant, and toddler development;

''(XI) a representative of the State agency responsible for assisting children with developmental disabilities;

''(XII) a representative of the State agency responsible for programs under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(XIII) a representative of the State interagency coordinating councils established under section 641 of the Individuals with Disabilities Education Act (20 U.S.C. 1441);

''(XIV) a representative of the State Head Start Association (where appropriate), and other representatives of Head Start programs in the State;

''(XV) a representative of the State network of child care resource and referral agencies;

''(XVI) a representative of community-based organizations;

''(XVII) a representative of State and local providers of early childhood education and care;

''(XVIII) a representative of Indian Head Start programs (where appropriate) and a representative of migrant and seasonal Head Start programs (where appropriate);

''(XIX) parents;

''(XX) religious and business leaders;

''(XXI) the head of the State library administrative agency;

''(XXII) representatives of State and local organizations and other entities providing professional development to early childhood educators and child care providers;

''(XXIII) a representative from the Office of Coordinator for Education of Homeless Children and Youths in the State;

''(XXIV) a State legislator; and

''(XXV) a representative of other entities determined to be relevant by the Governor of the State.

''(iv)(I) The State Advisory Council shall be responsible for, in addition to responsibilities assigned to the council by the Governor of the State—

''(aa) conducting a periodic statewide needs assessment concerning early childhood education and care for children from birth to school entry and assessing the availability of high quality prekindergarten services for low-income children in the State;

''(bb) identifying barriers to, and opportunities for, collaboration and coordination among entities carrying out federally-funded and State-funded child development, child care, and early childhood education programs;

''(cc) developing recommendations regarding means of establishing a unified data collection system for early childhood education and care throughout the State;

''(dd) developing a statewide professional development and career ladder plan for early childhood education and care in the State;

''(ee) assisting 2-year and 4-year public and private institutions of higher education, which may include assisting the institutions with development of articulation agreements or model programs of early childhood education and care, including practica or internships for students to spend time in a Head Start or prekindergarten program; and

''(ff) undertaking collaborative efforts to develop, and make recommendations for improvements in, State early learning standards.

''(II) The State Advisory Council shall hold public hearings and provide an opportunity for public comment on the activities described in subclause (I). The State Advisory Council shall submit a statewide strategic report addressing the activities described in subclause (I) to the State Director of Head Start Collaboration and the Governor of the State.

''(III) After submission of a statewide strategic report under subclause (II), the State Advisory Council shall meet periodically to review any implementation of the recommendations in such report and any changes in State and local needs.

''(F)(i)(I) Prior to carrying out paragraph (4), the Secretary shall reserve a portion to carry out this subparagraph for a fiscal year. The Secretary shall reserve the portion from the amount (if any) by which the funds appropriated under section 639(a) for the fiscal year exceed the adjusted prior year appropriation (as defined in paragraph (3)(A)(ii)), without reducing the share available for quality improvement funds described in paragraph (3)(B).

''(II) To the extent consistent with subclause (I), the Secretary shall reserve $100,000,000 for fiscal year 2008. Funds reserved under this subclause shall remain available for obligation through fiscal year 2012.

''(ii) The Secretary shall use the portion reserved under clause (i) to award, on a competitive basis, one-time startup grants of not less than $500,000 to eligible States to enable such States to pay for the Federal share of the cost of further developing and implementing the recommendations and plans for which the State's State Advisory Council is responsible under subparagraph (E)(iv)(I). Such grants shall—

''(I) facilitate the development of high-quality systems of early childhood education and care designed to improve school preparedness;

''(II) increase and make effective use of existing and new delivery systems and funds for early childhood education and care; and

''(III) enhance existing early childhood education and care (in existence on the date on which the grant involved is awarded).

''(iii) To be eligible to receive a grant under this subparagraph, a State shall prepare and submit to the Secretary an application, for a 3-year period, at such time, in such manner, and containing such information as the Secretary shall require, including—

''(I) a description of the State's State Advisory Council's responsibilities under subparagraph (E)(iv)(I);

''(II) a description, for each fiscal year, of how the State will make effective use of funds available under this subparagraph, with funds described in clause (iv), to create an early childhood education and care system, by developing or enhancing programs and activities described in subparagraph (E)(iv)(I);

''(III) a description of the State early learning standards and the State's goals for increasing the number of children entering kindergarten ready to learn;

''(IV) information identifying the agency or joint interagency office and individual designated to carry out the activities under this subparagraph, which may be the individual designated under subparagraph (E)(i)(II); and

''(V) a description of how the State plans to sustain activities under this subparagraph beyond the grant period.

''(iv) The Federal share of the cost described in clause (ii) shall be 30 percent, and the State shall provide the non-Federal share.

''(v) Funds made available under this subparagraph shall be used to supplement, and not supplant, other Federal, State, and local funds expended to carry out activities related to early childhood education and care in the State.

''(vi) Not later than 18 months after the date a State receives a grant under this subparagraph, the State shall submit an interim report to the Secretary. A State that receives a grant under this subparagraph shall submit a final report to the Secretary at the end of the grant period.''; and

(D) in subparagraph (G), as redesignated by subparagraph (B) of this paragraph—

(i) in clause (i)(I), by striking ''child care and early childhood education programs and resources'' and inserting ''early childhood education and care programs and resources''; and

(ii) in clause (ii), by striking ''Federal child care or early childhood education'' and inserting ''Federal early childhood education or child care''; and

(5) in paragraph (6)—

(A) in subparagraph (A), by striking ''7.5 percent'' and all that follows and inserting ''not less than 12 percent for fiscal year 2008, not less than 14 percent for fiscal year 2009, not less than 16 percent for fiscal year 2010, not less than 18 percent for fiscal year 2011, and not less than 20 percent for fiscal year 2012, of the amount appropriated pursuant to section 639(a).'';

(B) by striking subparagraph (B);

(C) in subparagraph (C)(i), by striking ''required to be'' each place it appears; and

(D) by redesignating subparagraph (C) as subparagraph (B).

(b) MINIMUM ENROLLMENT REQUIREMENT FOR CHILDREN WITH DISABILITIES.—The first sentence of section 640(d) of the Head Start Act (42 U.S.C. 9835(d)) is amended to read as follows: ''The Secretary shall establish policies and procedures to assure that, for fiscal year 2008 and thereafter, not less than 10 percent of the total number of children actually enrolled by each Head Start agency and each delegate agency will be children with disabilities who are eligible for special education or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and that the Head Start agency or delegate agency involved will collaborate with the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.) to ensure the provision of services to meet the special needs of such children.''.

(c) SERVICE DELIVERY MODELS.—Section 640(f) of the Head Start Act (42 U.S.C. 9835(f)) is amended—

(1) by striking ''(f) The'' and inserting ''(f)(1) Not later than 1 year after the date of enactment of the Head Start for School Readiness Act, the'';

(2) by striking ''needs.'' and inserting ''needs, including models that leverage the capacity and capabilities of the delivery system of early childhood education and care.''; and

(3) by adding at the end the following:

''(2) In establishing the procedures the Secretary shall establish procedures to provide for—

''(A) the conversion of part-day programs to full-day programs or part-day slots to full-day slots; and

''(B) serving additional infants and toddlers pursuant to section 645(a)(5).''.

(d) ADDITIONAL FUNDS.—Section 640(g)(2) of the Head Start Act (42 U.S.C. 9835(g)(2)) is amended—

(1) by striking subparagraph (C) and inserting the following:

''(C) the extent to which the applicant has undertaken communitywide strategic planning and needs assessments involving other community organizations and Federal, State, and local public agencies serving children and families (including organizations and agencies providing family support services and protective services to children and families and organizations serving families in whose homes English is not the language customarily spoken), and individuals, organizations, and public entities serving children with disabilities, children in foster care, and homeless children including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii));'';

(2) in subparagraph (D)—

(A) by striking ''community'' the first place it appears and inserting ''community-wide''; and

(B) by striking ''other local'' and inserting ''the State and local'';

(3) in subparagraph (E)—

(A) by inserting ''would like to participate but'' after ''community who''; and

(B) by striking ''early childhood program'' and inserting ''early childhood education and care program'';

(4) in subparagraph (G), by inserting ''leverage the existing delivery systems of such services (existing as of the date of the allocation decision) and'' after ''manner that will''; and

(5) in subparagraph (H), by inserting '', including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)),'' after ''community involved''.

(e) VEHICLE SAFETY REQUIREMENTS.—Section 640(i) of the Head Start Act (42 U.S.C. 9835(i)) is amended—

(1) by striking ''(i)'' and inserting ''(i)(1)'';

(2) in paragraph (1), as so designated, by adding at the end the following: ''The regulations shall also establish requirements to ensure the appropriate supervision of, and appropriate background checks for, individuals with whom the agencies contract to transport those children.''; and

(3) by adding at the end the following:

''(2)(A) Section 1310.12(a) of title 45, Code of Federal Regulations, shall take effect 30 days after the date of enactment of this Act.

''(B)(i) Not later than 60 days after the National Highway Traffic Safety Administration of the Department of Transportation submits its study on occupant protection on Head Start transit vehicles (related to Government Accountability Office report GAO–06–767R), the Secretary of Health and Human Services shall review and shall revise as necessary the allowable alternate vehicle standards described in part 1310 of that title (or any corresponding similar regulation or ruling) relating to allowable alternate vehicles used to transport children for a Head Start program. In making any such revision, the Secretary shall revise the standards to be consistent with the findings contained in such study, including making a determination on the exemption of such a vehicle from Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, if such vehicle meets all other applicable Federal motor vehicle safety standards, including standards for seating systems, occupant crash protection, seat belt assemblies, and child restraint anchorage systems consistent with that part 1310 (or any corresponding similar regulation or ruling).

''(ii) Notwithstanding subparagraph (A), until such date as the Secretary of Health and Human Services completes the review and any necessary revision specified in clause (i), the provisions of section 1310.12(a) of that title relating to Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, for allowable alternate vehicles used to transport children for a Head Start program, shall not apply to such a vehicle if such vehicle meets all other applicable Federal motor vehicle safety standards, as described in clause (i).''.

(f) MIGRANT AND SEASONAL HEAD START PROGRAMS.—Section 640(l) of the Head Start Act (42 U.S.C. 9835(l)) is amended—

(1) in paragraph (1), by striking ''and seasonal farmworker families'' and inserting ''or seasonal farmworkers''; and

(2) by striking paragraph (3) and inserting the following:

''(3) In carrying out this subchapter, the Secretary shall continue the administrative arrangement at the national level for meeting the needs of Indian children and children of migrant or seasonal farmworkers and shall ensure—

''(A) that appropriate funding is provided to meet such needs, including training and technical assistance provided by staff with knowledge of and experience in working with such populations; and

''(B) the appointment of a national Indian Head Start collaboration director and a national migrant and seasonal Head Start program collaboration director.

''(4)(A) For the purposes of paragraph (3), the Secretary shall conduct an annual consultation in each affected Head Start region, with tribal governments operating Head Start (including Early Head Start) programs.

''(B) The consultations shall be for the purpose of better meeting the needs of American Indian and Alaska Native children and families pertinent to subsection (a)(2)(A), taking into consideration funding allocations, distribution formulas, and other issues affecting the delivery of Head Start services within tribal communities.

''(C) The Secretary shall publish a notification of the consultations in the Federal Register prior to conducting the consultations.

''(D) A detailed report of each consultation shall be prepared and made available, on a timely basis, to all tribal governments receiving funds under this subchapter.

''(5)(A) In order to increase access to Head Start services for children of migrant or seasonal farmworkers, the Secretary shall work in collaboration with providers of migrant and seasonal Head Start programs, the Secretary of Agriculture, the Secretary of Labor, and the Secretary of Education to—

''(i) collect, report, and share data on farmworkers and their families in order to adequately account for the number of children of migrant or seasonal farmworkers who are eligible for Head Start services and determine how many of such children receive the services; and

''(ii) identify barriers that prevent children of migrant or seasonal farmworkers who are eligible for Head Start services from accessing Head Start services, and develop a plan for eliminating such barriers, including certain requirements relating to tracking, health records, and educational documents.

''(B) Not later than 1 year after the date of enactment of the Head Start for School Readiness Act, the Secretary shall publish in the Federal Register a notice about how the Secretary plans to carry out the activities identified in subparagraph (A) and shall provide a period for public comment. To the extent practicable, the Secretary shall consider comments received before implementing any of the activities identified in subparagraph (A).

''(C) Not later than 18 months after the date of enactment of the Head Start for School Readiness Act, the Secretary shall submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate detailing how the Secretary plans to carry out the activities identified in subparagraph (A).

''(D) The Secretary shall take appropriate caution to ensure the protection of the confidentiality of any personally identifiable data, information, and records collected or maintained regarding children and families served by migrant and seasonal Head Start programs.

''(E) Nothing in this paragraph shall be construed to authorize the development of a nationwide database of personally identifiable data, information, or records on individuals involved in studies or other collections of data under this paragraph.''.

(g) HOMELESS CHILDREN.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

''(m) ENROLLMENT OF HOMELESS CHILDREN.—The Secretary shall issue regulations to remove barriers to the enrollment and participation of homeless children in Head Start programs. Such regulations shall require Head Start agencies to—

''(1) implement policies and procedures to ensure that homeless children are identified and receive priority for enrollment;

''(2) allow homeless children to apply to, enroll in, and attend Head Start programs while required documents, such as proof of residency, proof of immunization, and other medical records, birth certificates, and other documents, are obtained within a reasonable timeframe; and

''(3) coordinate individual Head Start programs with efforts to implement subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

''(n) RULE OF CONSTRUCTION.—Nothing in this subchapter shall be construed to require a State to establish a program of early childhood education and care for children in the State, to require any child to participate in a program in order to attend preschool, or to participate in any initial screening prior to participation in a program of early childhood education and care, except as provided under section 612(a)(3) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(3)) and consistent with section 635(a)(5) of such Act (20 U.S.C. 1435(a)(5)).

''(o) CURRICULA.—All curricula funded under this subchapter shall be scientifically based, developmentally and linguistically based (to the extent practicable), and age appropriate. The curricula shall reflect all areas of child development and learning. Parents shall have the opportunity to examine any such curricula or instructional materials funded under this subchapter.''.

SEC. 7. DESIGNATION OF HEAD START AGENCIES.

Section 641 of the Head Start Act (42 U.S.C. 9836) is amended to read as follows:

''SEC. 641. DESIGNATION OF HEAD START AGENCIES.

''(a) DESIGNATION.—

''(1) IN GENERAL.—The Secretary is authorized to designate as a Head Start agency any local public or private nonprofit or for-profit agency, within a community, including a community-based organization that—

''(A) has power and authority to carry out the purpose of this subchapter and perform the functions set forth in section 642 within a community; and

''(B) is determined to have the capacity to plan, conduct, administer, and evaluate, either directly or by other arrangements, a Head Start program.

''(2) REQUIRED GOALS FOR DESIGNATION.—In order to be designated as a Head Start agency, an entity described in paragraph (1) shall—

''(A) establish program goals for improving the school readiness of children participating in a program under this subchapter, including goals for meeting the performance standards described in section 641A(a)(1) and shall establish results-based school readiness goals that are aligned with the Head Start Child Outcomes Framework, State early learning standards (as appropriate), and requirements and expectations for local public schools; and

''(B) have a governing body—

''(i) with legal and fiscal responsibility for administering and overseeing programs under this subchapter;

''(ii) that fully participates in the development, planning, and evaluation of the programs to ensure the operation of programs of high quality;

''(iii) that is responsible for ensuring compliance with Federal laws and regulations, including the performance standards described in section 641A(a)(1), as well as applicable State, tribal, and local laws and regulations, including laws defining the nature and operations of the governing body; and

''(iv) that has procedures to facilitate meaningful consultation and collaboration about decisions of the governing body and the policy council established under paragraph (3).

''(3) ESTABLISHMENT OF POLICY COUNCIL UPON DESIGNATION.—Upon receiving designation as a Head Start agency, the agency shall establish a policy council that—

''(A) in accordance with paragraph (5)(C), shall make decisions that influence the character of programs consistent with paragraph (5)(F); and

''(B) with the governing body, shall establish processes to resolve internal disputes.

''(4) ELIGIBILITY FOR SUBSEQUENT GRANTS.—In order to receive a grant under this subchapter subsequent to the initial grant provided following the date of enactment of the Head Start for School Readiness Act, an entity described in paragraph (1) shall demonstrate that the entity has met or is making progress toward meeting the goals described in paragraph (2)(A).

''(5) GOVERNING BODY AND POLICY COUNCIL.—

''(A) ESTABLISHMENT OF GOVERNING BODY.—Each Head Start agency shall establish a governing body in accordance with paragraph (2)(B).

''(B) COMPOSITION OF GOVERNING BODY.—

''(i) IN GENERAL.—The governing body shall be composed as follows:

''(I) Not less than 1 member of the governing body shall have a background in fiscal management.

''(II) Not less than 1 member of the governing body shall have a background in early childhood education and care.

''(III) Not less than 1 member of the governing body shall be a licensed attorney familiar with issues that come before the governing body.

''(IV) Additional members shall reflect the community to be served, and include parents of children who are currently, or were formerly, enrolled in Head Start programs.

''(V) In the case in which the governing body is a part of a Head Start agency that is a public agency, members of the governing body shall include elected or appointed public officials.

''(ii) CONSULTANTS.—In the case that persons described in clause (i) are not available to serve as members of the governing body, the governing body shall make use of consultants in the areas described in clause (i) to work directly with the governing body.

''(iii) CONFLICT OF INTEREST.—Members of the governing body shall—

''(I) not have a conflict of interest with the Head Start agency (including any delegate agency); and

''(II) not receive compensation for the purposes of serving on the governing body or for providing services to the Head Start agency.

''(C) RESPONSIBILITIES OF GOVERNING BODY.—

''(i) IN GENERAL.—The governing body shall be responsible for—

''(I) the selection of delegate agencies and such agencies' service areas;

''(II) establishing procedures and criteria for recruitment, selection, and enrollment;

''(III) all funding applications and amendments to funding applications for programs under this subchapter;

''(IV) establishing procedures and guidelines to access and collect the information described in paragraph (6);

''(V) review and approval of—

''(aa) the annual self-assessment, financial audit, and findings from the Federal monitoring review, of the Head Start agency (including any delegate agency); and

''(bb) such agency's progress in carrying out the programmatic and fiscal intent of such agency's grant application;

''(VI) developing procedures for how members of the policy council of the Head Start agency are selected, consistent with subparagraph (E)(ii);

''(VII) financial audits, accounting, and reporting;

''(VIII) personnel policies and procedures regarding hiring, termination, salary scales (and changes made to the scale), and salaries of the Executive Director, Head Start Director, the Director of Human Resources, the Chief Fiscal Officer, and any equivalent position; and

''(IX) review and approval of the community assessment, including any updates to such assessment.

''(ii) CONDUCT OF RESPONSIBILITIES.—The governing body shall ensure the development and approval of an internal control structure to facilitate those responsibilities in order to—

''(I) safeguard Federal funds;

''(II) comply with laws and regulations that have an impact on financial statements;

''(III) detect or prevent noncompliance with this subchapter; and

''(IV) receive financial audit reports and direct and monitor staff implementation of corrective actions.

''(iii) COMMITTEES.—The governing body shall, to the extent practicable and appropriate, establish—

''(I) advisory committees to oversee responsibilities related to financial auditing and finances of the Head Start agency, as well as compliance with Federal, State, and local laws and regulations; and

''(II) at the discretion of the governing body, additional advisory committees to study and make recommendations on areas related to the improvement of the Head Start program.

''(D) ESTABLISHMENT OF POLICY COUNCIL.—Each Head Start agency shall establish a policy council in accordance with paragraph (3).

''(E) COMPOSITION OF POLICY COUNCIL.—

''(i) IN GENERAL.—The policy council shall consist of—

''(I) parents of children currently enrolled in the programs of the Head Start agency (including any delegate agency), which shall constitute a majority of the membership of the policy council; and

''(II) members at large of the community served by the Head Start agency, which may include parents of children previously enrolled in the programs of the Head Start agency (including any delegate agency).

''(ii) SELECTION.—Parents serving on the policy council shall be elected by parents of children currently enrolled in the programs of the Head Start agency (including any delegate agency) and shall represent, proportionately, all program options and settings operated by the Head Start agency (including any delegate agency).

''(iii) CONFLICT OF INTEREST.—Members of the policy council shall—

''(I) not have a conflict of interest with the Head Start agency (including any delegate agency); and

''(II) not receive compensation for serving on the policy council or for providing services to the Head Start agency.

''(F) RESPONSIBILITIES OF POLICY COUNCIL.—The policy council shall be responsible for—

''(i) program planning, including—

''(I) program design, including long and short term program goals, all funding applications and amendments to funding applications, and objectives based on the annual communitywide assessment and self-assessment;

''(II) program recruitment, selection, and enrollment priorities; and

''(III) budget planning for program expenditures consistent with subparagraph (C)(i)(VII), including polices for reimbursement and participation in policy council activities;

''(ii) program operation consistent with subparagraph (C)(i)(VIII), including implementation of standards of conduct for program staff, contractors, and volunteers and criteria for the employment and dismissal of program staff; and

''(iii) activities to support the active involvement of parents in supporting program operations, including policies to ensure that the Head Start program is responsive to community and parent needs.

''(6) INFORMATION SHARING.—The governing body and the policy council shall share with each other regular and accurate information for use by both entities about program planning, policies, and Head Start agency operations, including—

''(A) monthly financial statements (including detailed credit card account expenditures for any employee with a Head Start agency credit card or who seeks reimbursement for charged expenses);

''(B) monthly program information summaries;

''(C) program enrollment reports, including attendance reports for children whose care is partially subsidized by another public agency;

''(D) monthly reports of meals and snacks provided through programs of the Department of Agriculture;

''(E) the financial audit;

''(F) the annual self-assessment, including any findings related to the annual self-assessment;

''(G) the community assessment of the Head Start agency's service area and any applicable updates;

''(H) communication and guidance from the Secretary; and

''(I) the program information reports.

''(7) TRAINING AND TECHNICAL ASSISTANCE.—Appropriate training and technical assistance shall be provided to the members of the

governing body and the policy council to ensure that the members understand the information the members receive and can effectively oversee and participate in the programs of the Head Start agency.

''(b) COMMUNITIES.—For purposes of this subchapter, a community may be a city, county, or multicity or multicounty unit within a State, an Indian reservation (including Indians in any off-reservation area designated by an appropriate tribal government in consultation with the Secretary), or a neighborhood or other area (irrespective of boundaries or political subdivisions) that provides a suitable organizational base and possesses the commonality of interest needed to operate a Head Start program.

''(c) REDESIGNATION.—

''(1) IN GENERAL.—In administering the provisions of this section, the Secretary shall, in consultation with the Governor of the State involved, redesignate as a Head Start agency any Head Start agency (including any delegate agency) that is high performing, as determined by meeting each of the following criteria:

''(A) Is receiving assistance under this subchapter.

''(B) Meets or exceeds standards described in section 641A(a)(1) (including program and financial management requirements).

''(C) Has no unresolved deficiencies, including having resolved any deficiencies found during the last triennial review under section 641A(c).

''(D) Can demonstrate, through agreements such as memoranda of understanding, active collaboration with the State or local community in the provision of services for children (such as the provision of extended day services, education, professional development and training for staff, and other types of cooperative endeavors).

''(E) Completes and submits the appropriate reapplication forms as required by the Secretary.

''(2) LIMITATION.—A Head Start agency with a triennial review under section 641A(c) scheduled not later than 18 months after the date of enactment of the Head Start for School Readiness Act shall not be subject to the criteria described in paragraph (1) for that review in order to be redesignated. The Head Start agency shall be subject to the criteria for any subsequent triennial review.

''(d) DESIGNATION WHEN NO ENTITY IS REDESIGNATED.—If no entity in a community is redesignated according to subsection (c), the Secretary shall, after conducting an open competition, designate a Head Start agency from among qualified applicants in such community.

''(e) EFFECTIVENESS.—In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall consider the effectiveness of each such applicant to provide Head Start services, based on—

''(1) any past performance of such applicant in providing services comparable to Head Start services, including how effectively such applicant provided such comparable services;

''(2) the plan of such applicant to provide comprehensive health, educational, nutritional, social, and other services needed to aid participating children in attaining their full potential, and to prepare children to succeed in school;

''(3) the capacity of such applicant to serve eligible children with programs that use scientifically based research that promote school readiness of children participating in the program;

''(4) the plan of such applicant to meet standards set forth in section 641A(a)(1), with particular attention to the standards set forth in subparagraphs (A) and (B) of such section;

''(5) the plan of such applicant to coordinate the Head Start program the applicant proposes to carry out with other preschool programs, including—

''(A) the Early Reading First and Even Start programs under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(B) other preschool program under title I of that Act (20 U.S.C. 6301 et seq.);

''(C) programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(D) State prekindergarten programs;

''(E) child care programs;

''(F) the educational programs that the children in the Head Start program involved will enter at the age of compulsory school attendance; and

''(G) reading readiness programs such as those conducted by public and school libraries;

''(6) the plan of such applicant to coordinate the Head Start program that the applicant proposes to carry out with public and private entities who are willing to commit resources to assist the Head Start program in meeting its program needs;

''(7) the plan of such applicant to collaborate with a local library, where available, that is interested in that collaboration, to—

''(A) develop innovative programs to excite children about the world of books, such as programs that involve—

''(i) taking children to the library for a story hour;

''(ii) promoting the use of library cards;

''(iii) developing a lending library or using a mobile library van; and

''(iv) providing fresh books in the Head Start classroom on a regular basis;

''(B) assist in literacy training for Head Start teachers; and

''(C) support parents and other caregivers in literacy efforts;

''(8) the plan of such applicant—

''(A) to facilitate the involvement of parents of participating children in activities (at home and in the center involved where practicable) designed to help such parents become full partners in the education of their children;

''(B) to afford such parents the opportunity to participate in the development and overall conduct of the program at the local level, including through providing transportation costs;

''(C) to offer (directly or through referral to local entities, such as entities carrying out Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), public and school libraries, and entities carrying out family support programs) to such parents—

''(i) family literacy services; and

''(ii) parenting skills training;

''(D) to offer to parents of participating children substance abuse counseling (either directly or through referral to local entities), if needed, including information on the effect of drug exposure on infants and fetal alcohol syndrome;

''(E) at the option of such applicant, to offer (directly or through referral to local entities) to such parents—

''(i) training in basic child development (including cognitive development);

''(ii) assistance in developing literacy and communication skills;

''(iii) opportunities to share experiences with other parents (including parent mentor relationships);

''(iv) regular in-home visitation; or

''(v) any other activity designed to help such parents become full partners in the education of their children;

''(F) to provide, with respect to each participating family, a family needs assessment that includes consultation with such parents (including foster parents and grandparents, where applicable) about the benefits of parent involvement and about the activities described in subparagraphs (C), (D), and (E) in which such parents may choose to become involved (taking into consideration their specific family needs, work schedules, and other responsibilities); and

''(G) to extend outreach to fathers, in appropriate cases, in order to strengthen the role of fathers in families, in the education of their young children, and in the Head Start program, by working directly with fathers and father figures through activities such as—

''(i) in appropriate cases, including fathers in home visits and providing opportunities for direct father-child interactions; and

''(ii) targeting increased male participation in the conduct of the program;

''(9) the ability of such applicant to carry out the plans described in paragraphs (2), (4), and (5);

''(10) other factors related to the requirements of this subchapter;

''(11) the plan of such applicant to meet the needs of limited English proficient children and their families, including procedures to identify such children, plans to provide trained personnel, and plans to provide services to assist the children in making progress toward the acquisition of the English language;

''(12) the plan of such applicant to meet the needs of children with disabilities, including procedures to identify such children, procedures for referral of such children for evaluation to State and local agencies providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq), and plans for collaboration with those State and local agencies;

''(13) the plan of such applicant who chooses to assist younger siblings of children who will participate in the Head Start program, to obtain health services from other sources;

''(14) the plan of such applicant to collaborate with other entities providing early childhood education and care in the community;

''(15) the plan of such applicant to meet the needs of homeless children and children in foster care, including the transportation needs of such children; and

''(16) the plan of such applicant to recruit and retain qualified staff.

''(f) INVOLVEMENT OF PARENTS AND AREA RESIDENTS.—The Secretary shall continue the practice of involving parents and area residents who are affected by programs under this subchapter in the selection of qualified applicants for designation as Head Start agencies.

''(g) PRIORITY.—In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall give priority to applicants that have demonstrated capacity in providing effective, comprehensive, and well-coordinated early childhood education and care to children and their families.

''(h) INTERIM BASIS.—If there is not a qualified applicant in a community for designation as a Head Start agency, the Secretary shall designate a qualified agency to carry out the Head Start program in the community on an interim basis until a qualified applicant from the community is so designated.

''(i) PROHIBITION AGAINST NON-INDIAN HEAD START AGENCY RECEIVING A GRANT FOR AN INDIAN HEAD START PROGRAM.—

''(1) IN GENERAL.—Notwithstanding any other provision of law except as provided in paragraph (2), under no condition may a non-Indian Head Start agency receive a grant to carry out an Indian Head Start program.

''(2) EXCEPTION.—In a community in which there is no Indian Head Start agency available for designation to carry out an Indian Head Start program, a non-Indian Head Start agency may receive a grant to carry out an Indian Head Start program but only until such time as an Indian Head Start agency in such community becomes available and is designated pursuant to this section.''.

SEC. 8. QUALITY STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS.

Section 641A of the Head Start Act (42 U.S.C. 9836a) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking ''642(d)'' and inserting ''642(c)'';

(B) in paragraph (1)(B)—

(i) in clause (i), by striking ''education performance standards'' and inserting ''educational performance standards''; and

(ii) by striking clause (ii) and inserting the following:

''(ii) additional educational standards based on the recommendations of the National Academy of Sciences panel described in section 649(h) and other experts in the field, to ensure that the curriculum involved addresses, and that the children participating in the program show appropriate progress toward developing and applying, the recommended educational outcomes, after the panel considers the appropriateness of additional educational standards relating to—

''(I) language skills related to listening, understanding, speaking, and communicating;

''(II) pre-literacy knowledge and skills;

''(III) prematheматics knowledge and skills;

''(IV) scientific abilities;

''(V) general cognitive abilities related to academic achievement and child development;

''(VI) social and emotional development related to early learning and school success;

''(VII) physical development; and

''(VIII) in the case of limited English proficient children, progress toward acquisition of the English language (which may include progress made with linguistically appropriate instructional services) while making meaningful progress in attaining the knowledge, skills, abilities, and development described in subclauses (I) through (VII);'';

(C) in paragraph (1)(D), by striking ''projects; and'' and inserting ''projects, including regulations that require that the facilities used by Head Start agencies (including Early Head Start agencies and including any delegate agencies) for regularly scheduled center-based and combination program option classroom activities—

''(i) shall be in compliance with State and local requirements concerning licensing for such facilities; and

''(ii) shall be accessible by State and local authorities for purposes of monitoring and ensuring compliance; and'';

(D) in paragraph (2)—

(i) in subparagraph (B)—

(I) in clause (i), by striking ''the date of enactment of this section'' and inserting ''the date of enactment of the Head Start for School Readiness Act'';

(II) in clause (ii), by striking ''the date of enactment of this Act'' and inserting ''the date of enactment of the Head Start for School Readiness Act'';

(III) in clause (iii)—

(aa) by striking ''early childhood education and development'' and inserting ''early childhood education and care''; and

(bb) by inserting ''homeless children, children in foster care,'' after ''children with disabilities,'';

(IV) in clause (vi), by striking ''including the language'' and all that follows and inserting ''and the language background and family structure of such children, and changes in the population and number of such children who are in foster care or are homeless children'';

(V) by striking clause (vii) and inserting the following:

''(vii) the need for Head Start agencies to maintain close and frequent communications with parents, including conducting periodic meetings to discuss the progress of individual children in Head Start programs; and

''(viii) the unique challenges faced by individual programs, including those programs that are seasonal or short term and those programs that serve rural populations;'';

(ii) in subparagraph (C)(ii), by striking ''the date of enactment of the Coats Human Services Reauthorization Act of 1998.'' and inserting ''the date of enactment of the Head Start for School Readiness Act; and''; and

(iii) by adding at the end the following:

''(D) consult with Indian tribes, American Indian and Alaska Native experts in early childhood education and care, linguists, and the National Indian Head Start Directors Association on the review and promulgation of standards under this subchapter (including standards for language acquisition and school readiness).'';

(E) by adding at the end the following:

''(4) EVALUATIONS AND CORRECTIVE ACTIONS FOR DELEGATE AGENCIES.—

''(A) PROCEDURES.—

''(i) IN GENERAL.—Subject to clause (ii), the Head Start agency shall establish procedures relating to its delegate agencies, including—

''(I) procedures for evaluating delegate agencies;

''(II) procedures for defunding delegate agencies; and

''(III) procedures for appealing a defunding decision relating to a delegate agency.

''(ii) TERMINATION.—The Head Start agency may not terminate a delegate agency's contract or reduce a delegate agency's service area without showing cause or demonstrating the cost-effectiveness of such a decision.

''(B) EVALUATIONS.—Each Head Start agency—

''(i) shall evaluate its delegate agencies using the procedures established pursuant to this section, including subparagraph (A); and

''(ii) shall inform the delegate agencies of the deficiencies identified through the evaluation that shall be corrected.

''(C) REMEDIES TO ENSURE CORRECTIVE ACTIONS.—In the event that the Head Start agency identifies a deficiency for a delegate agency through the evaluation, the Head Start agency shall take action, which may include—

''(i) initiating procedures to terminate the designation of the agency unless the agency corrects the deficiency;

''(ii) conducting monthly monitoring visits to such delegate agency until all deficiencies are corrected or the Head Start agency decides to defund such delegate agency; and

''(iii) releasing funds to such delegate agency—

''(I) only as reimbursements, until all deficiencies are corrected or the Head Start agency decides to defund such delegate agency; and

''(II) only if there is continuity of services for children and families.

''(D) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to impact or obviate the responsibilities of the Secretary with respect to Head Start agencies (including any delegate agencies) receiving funding under this subchapter.'';

(2) in subsection (b)—

(A) in paragraph (2)—

(i) by striking the paragraph heading and inserting the following:

''(2) CHARACTERISTICS AND USE OF MEASURES.—'';

(ii) in subparagraph (B), by striking '', not later than July 1, 1999; and'' and inserting a semicolon;

(iii) in subparagraph (C), by striking the period and inserting a semicolon;

(iv) by striking the flush matter following subparagraph (C); and

(v) by adding at the end the following:

''(D) measure characteristics that are strongly predictive (as determined on a scientific basis) of a child's school readiness and later performance in school;

''(E) be appropriate for the population served; and

''(F) be reviewed not less than every 4 years, based on advances in the science of early childhood development.

The performance measures shall be issued by regulation and shall include the performance standards and additional educational standards described in subparagraphs (A) and (B) of subsection (a)(1).'';

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''; and'' and inserting a semicolon;

(ii) in subparagraph (B), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) to enable Head Start agencies to individualize programs of instruction to better meet the needs of the child involved.'';

(C) by striking paragraph (4);

(D) by redesignating paragraph (5) as paragraph (4); and

(E) by adding at the end the following:

''(5) RULE OF CONSTRUCTION.—Nothing in this subchapter shall be construed to authorize or permit the Secretary or any employee or contractor of the Department of Health and Human Services to mandate, direct, control, or suggest the selection of a curriculum, a program of instruction, or instructional materials, for a Head Start program.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking subparagraph (C) and inserting the following:

''(C) Unannounced site inspections for health and safety reasons, as appropriate.'';

(ii) by redesignating subparagraph (D) as subparagraph (E); and

(iii) by inserting after subparagraph (C) the following:

''(D) Followup reviews, including—

''(i) prompt return visits as necessary for failure to meet 1 or more of the performance measures developed by the Secretary under subsection (b);

''(ii) a review of agencies and programs with citations that include findings of deficiencies not later than 6 months after the date of such citation; and

''(iii) followup reviews that incorporate a monitoring visit without prior notice of the visit to the agency or program involved or with such limited prior notice as is necessary to ensure the participation of parents and key staff members.''; and

(B) by striking paragraph (2) and inserting the following:

''(2) CONDUCT OF REVIEWS.—

''(A) IN GENERAL.—The Secretary shall ensure that reviews described in paragraph (1)—

''(i) are performed, to the maximum extent practicable, by employees of the Department of Health and Human Services who are knowledgeable about Head Start programs;

''(ii) are conducted by review teams that shall include individuals who are knowledgeable about Head Start programs and other early childhood education and care and, to the maximum extent practicable, the diverse (including linguistic and cultural) needs of eligible children (including children with disabilities, homeless children, and children in foster care) and limited English proficient children and their families, and personnel management, financial accountability, and systems development and monitoring;

''(iii) include as part of the reviews of the programs, a review and assessment of program effectiveness, including strengths and weaknesses, as measured in accordance with the results-based performance measures developed by the Secretary pursuant to subsection (b) and with the performance standards established pursuant to subsection (a)(1);

''(iv) seek information from the communities and States where Head Start programs exist about innovative or effective collaborative efforts, barriers to collaboration, and the efforts of the Head Start agencies to collaborate with the entities providing early childhood education and care in the community;

''(v) include as part of the reviews of the programs, a review and assessment of whether the programs are in conformity with the income eligibility requirements under section 645 and regulations promulgated under such section;

''(vi) include as part of the reviews of the programs, a review and assessment of whether programs have adequately addressed population and community needs (including needs of populations of limited English proficient children and children of migrant or seasonal farmworkers);

''(vii) include as part of the reviews of the programs, a review and assessment of whether programs have adequately addressed the needs of children with disabilities, including whether the agencies involved have met the 10 percent minimum enrollment requirement specified in section 640(d) and whether the agencies have made sufficient efforts to collaborate with State and local agencies providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(viii) include as part of the reviews of the programs, data from the results of periodic child assessments, and a review and assessment of child outcomes and performance as they relate to agency-determined school readiness goals described in section 641(a)(2)(A); and

''(ix) in the case of Early Head Start agencies and programs, are conducted by a review team that includes individuals who are knowledgeable about the development of infants and toddlers.

''(B) TRAINING; QUALITY AND CONSISTENCY.—The Secretary, from funds available under section 640(a)(2)(D), shall provide periodic training for supervisors and members of review teams in such topics as program management and financial audit performance. The Secretary shall ensure the quality and consistency across and within regions of reviews and non-compliance and deficiency determinations by conducting periodic interrater reliability checks.'';

(4) in subsection (d)(1)—

(A) in the matter preceding subparagraph (A), by inserting ''or fails to address the communitywide strategic plan and needs assessment identified in section 640(g)(2)(C),'' after ''subsection (b),''; and

(B) in subparagraph (A), by inserting ''and identify the assistance to be provided consistent with paragraph (3)'' after ''corrected'';

(5) in subsection (e), by striking the last sentence and inserting ''The information contained in such report shall be made available to parents with children receiving assistance under this subchapter in an understandable and uniform format, and to the extent practicable, in a language that the parents can understand. Such information shall be made widely available through public means such as distribution through public agencies, and, at a minimum, by posting such information on the Internet immediately upon publication.''; and

(6) by adding at the end the following:

''(f) SELF-ASSESSMENTS.—

''(1) IN GENERAL.—Not less frequently than once each program year, with the consultation and participation of policy councils, and, as applicable, policy committees, and, as appropriate, other community members, each agency receiving funds under this subchapter shall conduct a comprehensive self-assessment of the agency's effectiveness and progress in meeting program goals and objectives and in implementing and complying with performance standards described in subsection (a)(1).

''(2) REPORT AND IMPROVEMENT PLANS.—

''(A) REPORT.—An agency conducting a self-assessment shall report the findings of the self-assessment to the relevant policy council, policy committee, governing body, and regional office of the Administration for Children and Families of the Department of Health and Human Services. Each self-assessment shall identify areas of strength and weakness.

''(B) IMPROVEMENT PLAN.—The agency shall develop an improvement plan approved by the governing body of the agency to strengthen any areas identified in the self-assessment as weaknesses or in need of improvement. The agency shall report the areas to the appropriate regional office of the Administration for Children and Families.

''(3) ONGOING MONITORING.—Each Head Start agency (including each Early Head Start agency and including any delegate agency) shall establish and implement procedures for the ongoing monitoring of their Head Start (including Early Head Start) programs, to ensure that the operations of the programs work toward meeting program goals and objectives and Head Start performance standards.

''(4) TRAINING AND TECHNICAL ASSISTANCE.—Funds may be made available, through section 648(d), for training and technical assistance to assist agencies in conducting self-assessments.

''(g) REDUCTION OF GRANTS AND REDISTRIBUTION OF FUNDS IN CASES OF UNDER-ENROLLMENT.—

''(1) DEFINITIONS.—In this subsection:

''(A) ACTUAL ENROLLMENT.—The term 'actual enrollment' means, with respect to the program of a Head Start agency, the actual number of children enrolled in such program and reported by the agency (as required in paragraph (2)) in a given month.

''(B) BASE GRANT.—The term 'base grant' means, with respect to a Head Start agency for a fiscal year, that portion of the grant derived—

''(i) from amounts reserved for use in accordance with section 640(a)(2)(A), for a Head Start agency administering an Indian Head Start program or migrant or seasonal Head Start program;

''(ii) from amounts reserved for payments under section 640(a)(2)(B); or

''(iii) from amounts available under section 640(a)(2)(D) or allotted among States under section 640(a)(4).

''(C) FUNDED ENROLLMENT.—The term 'funded enrollment' means, with respect to the program of a Head Start agency in a fiscal year, the number of children that the agency is funded to serve through a grant for the program during such fiscal year, as indicated in the grant award.

''(2) ENROLLMENT REPORTING REQUIREMENT FOR CURRENT FISCAL YEAR.—Each entity carrying out a Head Start program shall report on a monthly basis to the Secretary and the relevant Head Start agency—

''(A) the actual enrollment in such program; and

''(B) if such actual enrollment is less than the funded enrollment, any apparent reason for such enrollment shortfall.

''(3) SECRETARIAL REVIEW AND PLAN.—The Secretary shall—

''(A) on a semiannual basis, determine which Head Start agencies are operating with an actual enrollment that is less than the funded enrollment based on not less than 4 consecutive months of data;

''(B) for each such Head Start agency operating a program with an actual enrollment that is less than 95 percent of its funded enrollment, as determined under subparagraph (A), develop, in collaboration with such agency, a plan and timetable for reducing or eliminating under-enrollment taking into consideration—

''(i) the quality and extent of the outreach, recruitment, and communitywide needs assessment conducted by such agency;

''(ii) changing demographics, mobility of populations, and the identification of new underserved low-income populations;

''(iii) facilities-related issues that may impact enrollment;

''(iv) the ability to provide full-day programs, where needed, through funds made available under this subchapter or through collaboration with entities carrying out other preschool or child care programs, or programs with other funding sources (where available);

''(v) the availability and use by families of other preschool and child care options (including parental care) in the community served; and

''(vi) agency management procedures that may impact enrollment; and

''(C) provide timely and ongoing technical assistance to each agency described in subparagraph (B) for the purpose of implementing the plan described in such subparagraph.

''(4) IMPLEMENTATION.—Upon receipt of the technical assistance described in paragraph (3)(C), a Head Start agency shall immediately implement the plan described in paragraph (3)(B).

''(5) SECRETARIAL ACTION FOR CONTINUED UNDER-ENROLLMENT.—If, 1 year after the date of implementation of the plan described in paragraph (3)(B), the Head Start agency continues to operate a program at less than funded enrollment, the Secretary shall, where determined appropriate, continue to provide technical assistance to such agency.

''(6) SECRETARIAL REVIEW AND ADJUSTMENT FOR CHRONIC UNDER-ENROLLMENT.—

''(A) IN GENERAL.—If, after receiving technical assistance and developing and implementing a plan to the extent described in paragraphs (3), (4), and (5) for 9 months, a Head Start agency is still operating a program with an actual enrollment that is less than 95 percent of its funded enrollment, the Secretary may—

''(i) designate such agency as chronically under-enrolled; and

''(ii) recapture, withhold, or reduce the base grant for the program by a percentage

equal to the percentage difference between funded enrollment and actual enrollment for the program for the most recent year in which the agency is determined to be underenrolled under paragraph (3)(A).

''(B) WAIVER OR LIMITATION OF REDUCTIONS.—If the Secretary, after the implementation of the plan described in paragraph (3)(B), finds that—

''(i) the causes of the enrollment shortfall, or a portion of the shortfall, are beyond the agency's control (such as serving significant numbers of children of migrant or seasonal farmworkers, homeless children, children in foster care, or other highly mobile children);

''(ii) the shortfall can reasonably be expected to be temporary; or

''(iii) the number of slots allotted to the agency is small enough that under-enrollment does not constitute a significant shortfall, the Secretary may, as appropriate, waive or reduce the percentage recapturing, withholding, or reduction otherwise required by subparagraph (A).

''(C) PROCEDURAL REQUIREMENTS; EFFECTIVE DATE.—The actions taken by the Secretary under this paragraph with respect to a Head Start agency shall take effect 1 day after the date on which—

''(i) the time allowed for appeal under section 646(a) expires without an appeal by the agency; or

''(ii) the action is upheld in an administrative hearing under section 646.

''(7) REDISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—The Secretary shall use amounts recovered from a Head Start agency through recapturing, withholding, or reduction under paragraph (6) in a fiscal year—

''(i) in the case of a Head Start agency administering an Indian Head Start program or a migrant or seasonal Head Start program, whose base grant is derived from amounts specified in paragraph (1)(B)(i), to redirect funds to 1 or more agencies that—

''(I) are administering Head Start programs serving the same special population; and

''(II) demonstrate that the agencies will use such redirected funds to increase enrollment in their Head Start programs in such fiscal year; or

''(ii) in the case of a Head Start agency in a State, whose base grant is derived from amounts specified in clause (ii) or (iii) of paragraph (1)(B), to redirect funds to 1 or more agencies that—

''(I) are administering Head Start programs in the same State; and

''(II) make the demonstration described in clause (i)(II).

''(B) SPECIAL RULE.—If there is no agency located in a State that meets the requirements of subclauses (I) and (II) of subparagraph (A)(ii), in the case of a Head Start agency described in subparagraph (A)(ii), the Secretary shall use amounts described in subparagraph (A) to redirect funds to Head Start agencies located in other States that make the demonstration described in subparagraph (A)(i)(II).

''(C) ADJUSTMENT TO FUNDED ENROLLMENT.—The Secretary shall adjust as necessary the requirements relating to funded enrollment indicated in the grant agreement of a Head Start agency receiving redistributed amounts under this paragraph.

''(h) CONTRACT WITH NONPROFIT INTERMEDIARY ORGANIZATION.—From funds reserved under clause (i) or (ii) of section 640(a)(2)(C) or from whatever other resources the Secretary determines appropriate, in carrying out the provisions of this section, the Secretary or a Head Start agency may contract with a nonprofit intermediary organization that—

''(1) provides evaluations and technical assistance to improve overall performance management; and

''(2) has an exclusive focus of improving the performance management and the use of technology in assessing performance and meeting Head Start regulations and can provide on-site, hands-on guidance with the implementation of Head Start programs.''.

SEC. 9. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

The Head Start Act is amended by inserting after section 641A (42 U.S.C. 9836a) the following:

''SEC. 641B. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

''(a) DEFINITION.—In this section, the term 'center of excellence' means a Center of Excellence in Early Childhood designated under subsection (b).

''(b) DESIGNATION AND BONUS GRANTS.—The Secretary shall, subject to the availability of funds under this subchapter, including under subsection (f), establish a program under which the Secretary shall—

''(1) designate not more than 200 exemplary Head Start agencies (including Early Head Start agencies, Indian Head Start agencies, and migrant and seasonal Head Start agencies) as Centers of Excellence in Early Childhood; and

''(2) make bonus grants to the centers of excellence to carry out the activities described in subsection (d).

''(c) APPLICATION AND DESIGNATION.—

''(1) APPLICATION.—

''(A) NOMINATION AND SUBMISSION.—

''(i) IN GENERAL.—To be eligible to receive a designation as a center of excellence under subsection (b), except as provided in clause (ii), a Head Start agency in a State shall be nominated by the Governor of the State and shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(ii) INDIAN AND MIGRANT AND SEASONAL HEAD START PROGRAMS.—In the case of an Indian Head Start agency or a migrant or seasonal Head Start agency, to be eligible to receive a designation as a center of excellence under subsection (b), such an agency shall be nominated by the head of the appropriate regional office of the Department of Health and Human Services and shall submit an application to the Secretary in accordance with clause (i).

''(B) CONTENTS.—At a minimum, the application shall include—

''(i) evidence that the Head Start program carried out by the agency has significantly improved the school readiness of, and enhanced academic outcomes for, children who have participated in the program;

''(ii) evidence that the program meets or exceeds performance standards described in section 641A(a)(1), as evidenced by successful completion of programmatic and monitoring reviews, and has no findings of deficiencies with respect to such standards;

''(iii) evidence that the program is making progress toward meeting the requirements described in section 648A;

''(iv) evidence demonstrating the existence of a collaborative partnership among the Head Start agency, the State (or a State agency), and other providers of early childhood education and care in the local community involved;

''(v) a nomination letter from the Governor, or appropriate regional office, demonstrating the agency's ability to provide the coordination, transition, and training services of the program to be carried out under the bonus grant involved, including coordination of activities with State and local agencies that provide early childhood education and care to children and families in the community served by the agency;

''(vi) information demonstrating the existence of a local council for excellence in early childhood, which shall include representatives of all the institutions, agencies, and groups involved in the work of the center for, and the local provision of services to, eligible children and other at-risk children, and their families; and

''(vii) a description of how the Center, in order to expand accessibility and continuity of quality early childhood education and care, will coordinate activities assisted under this section with—

''(I) programs carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(II) other programs carried out under this subchapter, including the Early Head Start programs carried out under section 645A;

''(III)(aa) Early Reading First and Even Start programs carried out under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(bb) other preschool programs carried out under title I of that Act (20 U.S.C. 6301 et seq.); and

''(cc) the Ready-to-Learn Television program carried out under subpart 3 of part D of title II of that Act (20 U.S.C. 6775 et seq.);

''(IV) programs carried out under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(V) State prekindergarten programs; and

''(VI) other programs of early childhood education and care.

''(2) SELECTION.—In selecting agencies to designate as centers of excellence under subsection (b), the Secretary shall designate not less than 1 from each of the 50 States, the District of Columbia, an Indian Head Start program, a migrant or seasonal Head Start program, and the Commonwealth of Puerto Rico.

''(3) PRIORITY.—In making bonus grant determinations under this section, the Secretary shall give priority to programs that, through their applications, demonstrate that they are of exceptional quality and would serve as exemplary models for programs in the same geographic region. The Secretary may also consider the populations served by the applicants, such as programs that serve large proportions of families of limited English proficient children or other underserved populations, and may make bonus grants to programs that do an exceptional job meeting the needs of children in such populations.

''(4) TERM OF DESIGNATION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall designate a Head Start agency as a center of excellence for a 5-year term. During the period of that designation, subject to the availability of appropriations, the agency shall be eligible to receive a bonus grant under subsection (b).

''(B) REVOCATION.—The Secretary may revoke an agency's designation under subsection (b) if the Secretary determines that the agency is not demonstrating adequate performance or has had findings of deficiencies described in paragraph (1)(B)(ii).

''(5) AMOUNT OF BONUS GRANT.—The Secretary shall base the amount of funding provided through a bonus grant made under subsection (b) to a center of excellence on the number of children eligible for Head Start services in the community involved. The Secretary shall, subject to the availability of funding, make such a bonus grant in an amount of not less than $200,000 per year.

''(d) USE OF FUNDS.—

''(1) ACTIVITIES.—A center of excellence that receives a bonus grant under subsection (b)—

''(A) shall use the funds made available through the bonus grant to model and disseminate, to other Head Start centers in the State involved, best practices for achieving early academic success, including—

''(i) best practices for achieving school readiness and developing pre-literacy and prematheamtics skills for at-risk children and achieving the acquisition of the English language for limited English proficient children; and

''(ii) best practices for providing seamless service delivery for eligible children and their families;

''(B) may use the funds made available through the bonus grant—

''(i) to provide Head Start services to additional eligible children;

''(ii) to better meet the needs of working families in the community served by the center by serving more children in existing Early Head Start programs (existing as of the date the center is designated under this section) or in full-working-day, full calendar year Head Start programs;

''(iii) to further coordinate early childhood education and care and social services available in the community served by the center for at-risk children (birth through age 8), their families, and pregnant women;

''(iv) to provide training and cross training for Head Start teachers and staff, child care providers, public and private preschool and elementary school teachers, and other providers of early childhood education and care, and training and cross training to develop agency leaders;

''(v) to provide effective transitions between Head Start programs and elementary school, to facilitate ongoing communication between Head Start and elementary school teachers concerning children receiving Head Start services, and to provide training and technical assistance to providers who are public elementary school teachers and other staff of local educational agencies, child care providers, family service providers, and other providers of early childhood education and care, to help the providers described in this clause increase their ability to work with low-income, at-risk children and their families;

''(vi) to develop or maintain partnerships with institutions of higher education and nonprofit organizations, including community-based organizations, that recruit, train, place, and support college students to serve as mentors and reading partners to preschool children in Head Start programs; and

''(vii) to carry out other activities determined by the center to improve the overall quality of the Head Start program carried out by the agency and the program carried out under the bonus grant involved.

''(2) INVOLVEMENT OF OTHER HEAD START AGENCIES AND PROVIDERS.—A center that receives a bonus grant under subsection (b), in carrying out activities under this subsection, shall work with the center's delegate agencies and several additional Head Start agencies (especially agencies that are low-performing on the performance standards described in section 641A(a)(1)), and other providers of early childhood education and care in the community involved, to encourage the agencies and providers described in this paragraph to carry out model programs.

''(e) RESEARCH AND REPORTS.—

''(1) RESEARCH.—The Secretary shall, subject to the availability of funds to carry out this subsection, award a grant or contract to an independent organization to conduct research on the ability of the centers of excellence to improve the school readiness of children receiving Head Start services, and to positively impact school results in the earliest grades. The organization shall also conduct research to measure the success of the centers of excellence at encouraging the center's delegate agencies, additional Head Start agencies, and other providers of early childhood education and care in the communities involved to meet measurable improvement goals, particularly in the area of school readiness.

''(2) REPORT.—Not later than 48 months after the date of enactment of the Head Start for School Readiness Act, the organization shall prepare and submit to the Secretary and Congress a report containing the results of the research described in paragraph (1).

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2008 through 2012—

''(1) $90,000,000 to make bonus grants to centers of excellence under subsection (b) to carry out activities described in subsection (d);

''(2) $500,000 to pay for the administrative costs of the Secretary in carrying out this section; and

''(3) $2,000,000 for research activities described in subsection (e).''.

SEC. 10. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 642 of the Head Start Act (42 U.S.C. 9837) is amended—

(1) by striking all that precedes ''In order'' the first place it appears and inserting the following:

''SEC. 642. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

''(a) IN GENERAL.—''; and

(2) by striking subsections (b) through (e) and inserting the following:

''(b) ADDITIONAL REQUIREMENTS.—In order to be designated as a Head Start agency under this subchapter, a Head Start agency shall also—

''(1) establish a program with all standards set forth in section 641A(a)(1), with particular attention to the standards set forth in subparagraphs (A) and (B) of such section;

''(2) demonstrate the capacity to serve eligible children with scientifically based curricula and other interventions and support services that help promote the school readiness of children participating in the program;

''(3) establish effective procedures and provide for the regular assessment of Head Start children, including observational and direct formal assessment, where appropriate;

''(4) establish effective procedures, for determining the needs of children, that include high quality research based developmental screening tools that have been demonstrated to be valid, reliable, and accurate for children from a range of backgrounds;

''(5) establish effective procedures for timely referral of children with disabilities to State and local agencies providing services under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), and collaboration with those agencies;

''(6) establish effective procedures for providing necessary services to children with disabilities prior to an eligibility determination by the State or local agency responsible for providing services under section 619 or part C of such Act;

''(7) require each delegate agency to create a policy committee, which shall—

''(A) be comprised of members of the community to be served, including parents of children who are currently enrolled in the Head Start programs of the Head Start agency; and

''(B) serve in an advisory capacity to the delegate agency, to make decisions and recommendations regarding program planning and operation and parental involvement.

''(8) seek the involvement of parents, area residents, and local business in the design and implementation of the program;

''(9) provide for the regular participation of parents and area residents in the implementation of the program;

''(10) provide technical and other support needed to enable such parents and area residents to secure, on their own behalf, available assistance from public and private sources;

''(11) establish effective procedures to carry out subparagraphs (A) and (B) of section 641(f)(8);

''(12) conduct outreach to schools in which Head Start children will enroll, local educational agencies, the local business community, community-based organizations, faith-based organizations, museums, and libraries to generate support and leverage the resources of the entire local community in order to improve school readiness;

''(13) establish effective procedures to carry out section 641(f)(8)(C);

''(14) establish effective procedures to carry out section 641(f)(8)(D);

''(15) establish effective procedures to carry out section 641(f)(8)(E);

''(16) establish effective procedures to carry out section 641(f)(8)(F);

''(17) consider providing services to assist younger siblings of children participating in its Head Start program, to obtain health services from other sources;

''(18) perform community outreach to encourage individuals previously unaffiliated with Head Start programs to participate in its Head Start program as volunteers;

''(19)(A) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subchapter about the availability of child support services for purposes of establishing paternity and acquiring child support; and

''(B) refer eligible parents to the child support offices of State and local governments;

''(20) provide parents of limited English proficient children outreach and information in an understandable and uniform format and, to the extent practicable, in a language that the parents can understand; and

''(21) at the option of such agency, partner with an institution of higher education and a nonprofit organization to provide college students with the opportunity to serve as mentors or reading partners to Head Start participants.

''(c) TRANSITION ACTIVITIES TO FACILITATE CONTINUED PROGRESS.—

''(1) IN GENERAL.—Each Head Start agency shall collaborate with the entities listed in this subsection, to the maximum extent possible, to ensure the successful transition of Head Start children to school, so that such children are able to build upon the developmental and educational gains achieved in Head Start programs in further schooling.

''(2) COORDINATION.—

''(A) LOCAL EDUCATIONAL AGENCY.—In communities where both public prekindergarten programs and Head Start programs operate, a Head Start agency shall collaborate and coordinate activities with the local educational agency or other public agency responsible for the operation of the prekindergarten program and providers of prekindergarten, including outreach activities to identify eligible children.

''(B) ELEMENTARY SCHOOLS.—Head Start staff shall, with the permission of the parents of children enrolled in Head Start programs, regularly communicate with the elementary schools such children will be attending to—

''(i) share information about such children;

''(ii) collaborate with the teachers in such elementary schools regarding teaching strategies and options; and

''(iii) ensure a smooth transition to elementary school for such children.

''(C) OTHER PROGRAMS.—The head of each Head Start agency shall coordinate activities and collaborate with the State agency responsible for administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), other entities providing early childhood education and care, and the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a), parts B and E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.), programs under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), and programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), serving the children and families served by the Head Start agency.

''(3) COLLABORATION.—A Head Start agency shall take steps to coordinate activities with the local educational agency serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program, including—

''(A) collaborating on the shared use of transportation and facilities, in appropriate cases;

''(B) collaborating to reduce the duplication of services while increasing the program participation of underserved populations of eligible children; and

''(C) exchanging information on the provision of noneducational services to such children.

''(4) PARENTAL INVOLVEMENT.—In order to promote the continued involvement of the parents of children that participate in Head Start programs in the education of their children, the Head Start agency shall—

''(A) provide training to the parents—

''(i) to inform the parents about their rights and responsibilities concerning the education of their children; and

''(ii) to enable the parents, upon the transition of their children to school—

''(I) to understand and work with schools in order to communicate with teachers and other school personnel;

''(II) to support the schoolwork of their children; and

''(III) to participate as appropriate in decisions relating to the education of their children; and

''(B) take other actions, as appropriate and feasible, to support the active involvement of the parents with schools, school personnel, and school-related organizations.

''(d) ASSESSMENT OR EVALUATION.—Each Head Start agency shall adopt, in consultation with experts in child development and with classroom teachers, an assessment or evaluation to measure whether classroom teachers have mastered the functions described in section 648A(a)(1) and have attained a level of literacy appropriate to implement Head Start curricula.

''(e) FUNDED ENROLLMENT; WAITING LIST.—Each Head Start agency shall enroll 100 percent of its funded enrollment and maintain an active waiting list at all times with ongoing outreach to the community and activities to identify underserved populations.

''(f) TECHNICAL ASSISTANCE AND TRAINING PLAN.—In order to receive funds under this subchapter, a Head Start agency shall develop an annual technical assistance and training plan. Such plan shall be based on the agency's self-assessment, the communitywide needs assessment, and the needs of parents to be served by such agency.''.

SEC. 11. HEAD START TRANSITION.

Section 642A of the Head Start Act (42 U.S.C. 9837a) is amended to read as follows:

''SEC. 642A. HEAD START TRANSITION AND ALIGNMENT WITH K–12 EDUCATION.

''(a) IN GENERAL.—Each Head Start agency shall take steps to coordinate activities with the local educational agency serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program, which may include—

''(1) developing and implementing a systematic procedure for transferring, with parental consent, Head Start program records for each participating child to the school in which such child will enroll;

''(2) establishing ongoing channels of communication between Head Start staff and their counterparts in the schools (including, as appropriate, teachers, social workers, health staff, and local educational agency liaisons designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii))) to—

''(A) facilitate coordination of programs;

''(B) develop continuity of developmentally appropriate curricular objectives and practices, in order to ensure an effective transition to school and appropriate shared expectations for the learning and development of children as they make the transition to school; and

''(C) provide appropriate linkages between the Head Start program and educational services, including services related to language, literacy, and numeracy, provided by such local educational agency;

''(3) establishing comprehensive transition policies and procedures that support children transitioning to school, including by engaging the local education agency in the establishment of such policies;

''(4) conducting outreach to parents, elementary school (such as kindergarten) teachers, and Head Start teachers to discuss the educational, developmental, and other needs of individual children;

''(5) organizing and participating in joint training, including transition-related training of school staff and Head Start staff;

''(6) developing and implementing a family outreach and support program, in cooperation with entities carrying out parental involvement efforts under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), and family outreach and support efforts under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), taking into consideration the language needs of parents of limited English proficient children;

''(7) assisting families, administrators, and teachers in enhancing educational and developmental continuity and continuity of parental involvement in activities between Head Start services and elementary school classes;

''(8) helping parents understand the importance of parental involvement in a child's academic success while teaching the parents strategies for maintaining parental involvement as their child moves from the Head Start program to elementary school;

''(9) helping parents understand the instructional and other services provided by the school in which their child will enroll after participation in the Head Start program; and

''(10) coordinating activities and collaborating to ensure that curricula used in the Head Start program are aligned with the Head Start Child Outcomes Framework and, as appropriate, State early learning standards, with regard to cognitive development (including language, pre-literacy, and prematheamtics competencies), and social, emotional, and physical competencies that children entering kindergarten are expected to demonstrate.

''(b) CONSTRUCTION.—In this section, a reference to a Head Start agency, or its program, services, facility, or personnel, shall not be construed to be a reference to an Early Head Start agency, or its program, services, facility, or personnel.''.

SEC. 12. SUBMISSION OF PLANS TO GOVERNORS.

Section 643 of the Head Start Act (42 U.S.C. 9838) is amended—

(1) in the first sentence—

(A) by striking ''chief executive officer'' and inserting ''Governor''; and

(B) by striking ''45'' and inserting ''30'';

(2) in the last sentence, by striking '', however,''; and

(3) by adding at the end the following: ''This section shall not apply to contracts, agreements, grants, loans, or other assistance for Indian Head Start programs and migrant and seasonal Head Start programs.''.

SEC. 13. COSTS OF DEVELOPING AND ADMINISTERING A PROGRAM.

Section 644(b) of the Head Start Act (42 U.S.C. 9839(b)) is amended—

(1) by striking ''Except'' and inserting ''(1) Except''; and

(2) by adding at the end the following:

''(2)(A) The limitation prescribed by paragraph (1) shall not prohibit a Head Start agency from expending an amount in excess of allowable direct costs associated with developing and administering a program assisted under this subchapter, if—

''(i) the agency submits an application for a grant year containing an assurance that—

''(I) the agency will serve a greater percentage of children in the community involved than were served in the preceding grant year; and

''(II) the agency will not diminish services provided to currently enrolled children (as of the date of the application), including the number of hours and days such services are provided;

''(ii) any such excess amount does not exceed 5 percent of the total costs, including the required non-Federal contributions to such costs, of such program; and

''(iii) in the event that the applicant applies to expend any such excess amount in a subsequent grant year, the applicant continues to serve the same number of children as proposed in the initial application submitted under this paragraph and accomplishes, relative to the prior Head Start agency, at least 3 of the 5 improved outcomes.

''(B) In subparagraph (A), the term 'improved outcome' means—

''(i) an increase in average teacher salary;

''(ii) an increase in the number of qualified teachers;

''(iii) a significant increase in the number of children who receive full-day Head Start services;

''(iv) a decrease in the caseload for family workers; or

''(v) an increase in transportation options for families.

''(C) The Secretary shall approve not more than 10 applications described in subparagraph (A) for a fiscal year, and to the extent practicable shall ensure participation under this paragraph of a diverse group of Head Start agencies, including public, private nonprofit, and for-profit agencies operating Head Start programs.''.

SEC. 14. PARTICIPATION IN HEAD START PROGRAMS.

Section 645 of the Head Start Act (42 U.S.C. 9840) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by inserting ''130 percent of'' after ''below''; and

(II) by striking ''and'' at the end;

(ii) by redesignating subparagraph (B) as subparagraph (C);

(iii) by inserting after subparagraph (A) the following:

''(B) that the Head Start agencies involved make efforts to ensure that the programs serve children from families with incomes below the poverty line prior to serving other income-eligible children; and''; and

(iv) in the flush matter at the end, by adding at the end the following: ''A homeless child shall be deemed eligible for Head Start services.''; and

(B) by adding at the end the following:

''(3)(A) In this paragraph:

''(i) The term 'dependent' has the meaning given the term in paragraphs (2)(A) and (4)(A)(i) of section 401(a) of title 37, United States Code.

''(ii) The terms 'member' and 'uniformed services' have the meanings given the terms in paragraphs (23) and (3), respectively, of section 101 of title 37, United States Code.

''(B) The following amounts of pay and allowance of a member of the uniformed services shall not be considered to be income for purposes of determining the eligibility of a dependent of such member for programs funded under this subchapter:

''(i) The amount of any special pay payable under section 310 of title 37, United States Code, relating to duty subject to hostile fire or imminent danger.

''(ii) The amount of basic allowance payable under section 403 of such title, including any such amount that is provided on behalf of the member for housing that is acquired or constructed under the alternative authority for the acquisition and improvement of military housing under subchapter IV of chapter 169 of title 10, United States Code, or any other related provision of law.

''(4) After demonstrating a need through a communitywide needs assessment, a Head Start agency may apply to the Secretary to convert part-day sessions, particularly consecutive part-day sessions, into full-day sessions.

''(5)(A) Consistent with a communitywide needs assessment, a Head Start agency may apply to the Secretary to serve additional infants and toddlers if the agency submits an application to the Secretary containing—

''(i) a description of how the needs of pregnant women, infants, and toddlers will be addressed in accordance with section 645A(b), and with regulations prescribed by the Secretary pursuant to section 641A in areas including the agency's approach to child development and provision of health services, approach to family and community partnerships, and approach to program design and management;

''(ii) a description of how the needs of eligible Head Start children are being and will be served;

''(iii) assurances that the agency will participate in technical assistance activities (including a planning period, start-up site visits, and national training activities) in the same manner as recipients of grants under section 645A; and

''(iv) evidence that the agency meets the same eligibility criteria as recipients of grants under section 645A.

''(B) In approving such applications, the Secretary shall take into account the costs of serving persons under section 645A.

''(C) Any Head Start agency designated under this section and permitted to use grant funds under subparagraph (A) to serve additional infants and toddlers shall be considered to be an Early Head Start agency and shall be subject to the same rules, regulations, and conditions as apply to recipients of grants under section 645A for those grant funds.''; and

(2) in the first sentence of subsection (c), by striking ''(age 3 to compulsory school attendance)'' and inserting ''(other than children eligible for an Early Head Start program)''; and

(3) in subsection (d), by adding at the end the following:

''(4) Notwithstanding any other provision of this Act, an Indian tribe that operates both an Early Head Start program under section 645A and a Head Start program may, at its discretion, at any time during the grant period involved, reallocate funds between the Early Head Start program and the Head Start program in order to address fluctuations in client population, including pregnant women and children birth to compulsory school age. The reallocation of such funds between programs by an Indian tribe shall not serve as the basis for the Secretary to reduce a base grant (as defined in section 641A(g)(1)) for either program in succeeding years.''.

SEC. 15. EARLY HEAD START PROGRAMS.

Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 645A. EARLY HEAD START PROGRAMS.'';

(2) in subsection (b)—

(A) in paragraph (4), by striking ''provide services to parents to support their role as parents'' and inserting ''provide additional services and research-based activities to parents to support their role as parents (including parenting skills training and training in basic child development)'';

(B) by redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (6), (8), (11), (12), and (13), respectively;

(C) by inserting after paragraph (4) the following:

''(5) where appropriate and in conjunction with services provided under this section to the children's immediate families (or as approved by the Secretary), provide home-based services to family child care homes, and kin caregivers, caring for infants and toddlers who also participate in Early Head Start programs, to provide continuity in supporting the children's cognitive, social, emotional, and physical development;'';

(D) in paragraph (6), as redesignated by subparagraph (B)—

(i) by inserting ''(including home-based services)'' after ''with services'';

(ii) by inserting ''and homeless infants and toddlers'' after ''disabilities''; and

(iii) by inserting '', and family support services'' after ''health services'';

(E) by inserting after paragraph (6), as redesignated by subparagraph (B), the following:

''(7) ensure that children with documented behavioral problems, including problems involving behavior related to prior or existing trauma, receive appropriate screening and referral;'';

(F) by inserting after paragraph (8), as redesignated by subparagraph (B), the following:

''(9) develop and implement a systematic procedure for transitioning children and parents from an Early Head Start program to a Head Start program or another local program of early childhood education and care;

''(10) establish channels of communication between staff of Early Head Start programs and staff of Head Start programs or other local providers of early childhood education and care, to facilitate the coordination of programs;''; and

(G) in paragraph (12), as redesignated by subparagraph (B)—

(i) by striking ''and providers'' and inserting '', providers''; and

(ii) by inserting '', and the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a) and parts B and E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.)'' after ''(20 U.S.C. 1400 et seq.)'';

(3) in subsection (d)—

(A) in paragraph (1), by inserting '', including tribal governments and entities operating migrant and seasonal Head Start programs'' after ''subchapter''; and

(B) in paragraph (2), by inserting '', including community-based organizations'' after ''private entities'';

(4) in subsection (g)(2)—

(A) in subparagraph (A), by adding at the end the following: ''In determining the amount so reserved, the Secretary shall consider the number of Early Head Start programs newly funded for that fiscal year.''; and

(B) in subparagraph (B)—

(i) in clause (ii), by inserting '', including supporting infant and toddler specialists to assist such staff and improve the programs carried out under this section'' after ''section''; and

(ii) by striking clause (iv) and inserting the following:

''(iv) providing professional development and personnel enhancement activities, including the provision of funds to recipients of grants under subsection (a), relating to—

''(I) effective methods of conducting parent education, home visiting, and promoting quality early childhood development;

''(II) recruiting and retaining qualified staff; and

''(III) increasing program participation for underserved populations of eligible children.''; and

(5) by adding at the end the following:

''(h) STAFF QUALIFICATIONS AND DEVELOPMENT.—

''(1) CENTER-BASED STAFF.—The Secretary shall establish staff qualification goals to ensure that, not later than September 30, 2012, all teachers providing direct services to Early Head Start children and families in Early Head Start centers have a minimum of a child development associate credential or an associate degree, and have been trained (or have equivalent course work) in early childhood development with a focus on infant and toddler development.

''(2) HOME VISITOR STAFF.—

''(A) STANDARDS.—In order to further enhance the quality of home visiting services provided to families of children participating in home-based, center-based, or combination program options under this subchapter, the Secretary shall establish standards for training, qualifications, and the conduct of home visits for home visitor staff in Early Head Start programs.

''(B) CONTENTS.—The standards for training, qualifications, and the conduct of home visits shall include content related to—

''(i) structured child-focused home visiting that promotes parents' ability to support the child's cognitive, social, emotional, and physical development;

''(ii) effective strengths-based parent education, including methods to encourage parents as their child's first teachers;

''(iii) early childhood development with respect to children from birth through age 3;

''(iv) methods to help parents promote emergent literacy in their children from

birth through age 3, including use of research-based strategies to support the development of literacy and language skills for children who are limited English proficient;

''(v) health, vision, hearing, and developmental screenings;

''(vi) strategies for helping families coping with crisis; and

''(vii) the relationship of health and well-being of pregnant women to prenatal and early child development.''.

SEC. 16. APPEALS, NOTICE, AND HEARING AND RECORDS AND FINANCIAL AUDITS.

(a) APPEALS, NOTICE, AND HEARING.—Section 646(a) of the Head Start Act (42 U.S.C. 9841(a)) is amended by striking paragraphs (3) and (4) and inserting the following:

''(3) financial assistance under this subchapter may be terminated or reduced, and an application for refunding may be denied, after the recipient has been afforded reasonable notice and opportunity for a full and fair hearing, including—

''(A) a right to file a notice of appeal of a decision not later than 30 days after notice of the decision from the Secretary; and

''(B) access to a full and fair hearing of the appeal, not later than 120 days after receipt by the Secretary of the notice of appeal;

''(4) the Secretary shall develop and publish procedures (including mediation procedures) to be used in order to—

''(A) resolve in a timely manner conflicts potentially leading to an adverse action between—

''(i) recipients of financial assistance under this subchapter; and

''(ii) delegate agencies, or policy councils of Head Start agencies;

''(B) avoid the need for an administrative hearing on an adverse action; and

''(C) prohibit a Head Start agency from expending financial assistance awarded under this subchapter for the purpose of paying legal fees pursuant to an appeal under paragraph (3), except that such fees shall be reimbursed by the Secretary if the agency prevails in such decision; and

''(5) the Secretary may suspend funds to a grantee under this subchapter—

''(A) except as provided in subparagraph (B), for not more than 30 days; or

''(B) in the case of a grantee under this subchapter that has multiple and recurring deficiencies for 180 days or more and has not made substantial and significant progress toward meeting the goals of the grantee's quality improvement plan or eliminating all deficiencies identified by the Secretary, during the hearing of an appeal described in paragraph (3), for any amount of time, including permanently.''.

(b) RECORDS AND FINANCIAL AUDITS.—

(1) HEADING.—Section 647 of the Head Start Act (42 U.S.C. 9842) is amended by striking the section heading and inserting the following: ''RECORDS AND FINANCIAL AUDITS''.

(2) RECIPIENTS.—Section 647(a) of the Head Start Act (42 U.S.C. 9842(a)) is amended by striking ''Each recipient of'' and inserting ''Each Head Start center, including each Early Head Start center, receiving''.

(3) FINANCIAL AUDITS.—Subsections (a) and (b) of section 647 of the Head Start Act (42 U.S.C. 9842) are amended by striking ''audit'' and inserting ''financial audit''.

(4) ACCOUNTING.—Section 647 of the Head Start Act (42 U.S.C. 9842) is amended by adding at the end the following:

''(c) Each Head Start center, including each Early Head Start center, receiving financial assistance under this subchapter shall maintain, and annually submit to the Secretary, a complete accounting of its administrative expenses, including expenses for salaries and compensation funded under this subchapter and provide such additional documentation as the Secretary may require.''.

SEC. 17. TECHNICAL ASSISTANCE AND TRAINING.

Section 648 of the Head Start Act (42 U.S.C. 9843) is amended—

(1) in subsection (a)(2), by striking ''(b) and (c)'' and inserting ''(b), (c), and (d)'';

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(3) by inserting after subsection (a) the following:

''(b) The Secretary shall make available funds set aside in section 640(a)(2)(C)(ii) to support a State system of training and technical assistance (which may include such a system for a consortium of States within a region) that improves the capacity of Head Start programs to deliver services in accordance with the standards described in section 641A(a)(1), with particular attention to the standards described in subparagraphs (A) and (B) of such section. The Secretary shall—

''(1) ensure that agencies with demonstrated expertise in providing high-quality training and technical assistance to improve the delivery of Head Start services, including the State Head Start Associations, State agencies, Indian Head Start agencies, migrant and seasonal Head Start agencies, and other entities providing training and technical assistance in early childhood education and care, for the State (including such a consortium of States within a region), are included in the planning and coordination of the system; and

''(2) encourage States (including such consortia) to supplement the funds authorized in section 640(a)(2)(C)(ii) with Federal, State, or local funds other than funds made available under this subchapter, to expand training and technical assistance activities beyond Head Start agencies to include other providers of other early childhood education and care within a State (including such a consortium).'';

(4) in paragraph (3) of subsection (c), as redesignated by paragraph (2), by striking ''child care and early childhood programs'' and inserting ''early childhood education and care programs'';

(5) in subsection (d), as redesignated by paragraph (2)—

(A) in paragraph (1)(B)(ii), by striking ''educational performance measures'' and inserting ''measures'';

(B) in paragraph (2), by inserting ''and for activities described in section 1222(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6372(d))'' after ''children with disabilities'';

(C) in paragraph (3), by striking ''early childhood professional development systems'' and inserting ''professional development systems regarding early childhood education and care'';

(D) in paragraph (5), by inserting '', including assessing the needs of homeless children and their families'' after ''needs assessment'';

(E) by striking paragraph (7) and inserting the following:

''(7) assist Head Start agencies in better serving the needs of families with very young children, including providing support and program planning and implementation assistance for Head Start agencies that apply to serve or are serving additional infants and toddlers with funds previously used for 3- and 4-year-olds in accordance with section 645(a)(5);'';

(F) in paragraph (10), by striking ''; and'' and inserting a semicolon;

(G) in paragraph (11), by striking the period and inserting a semicolon; and

(H) by adding at the end the following:

''(12) assist Head Start agencies in increasing the program participation of homeless children;

''(13) provide training and technical assistance to members of governing bodies, policy councils, and, as appropriate, policy committees, to ensure that the members can fulfill their functions;

''(14) provide training and technical assistance to Head Start agencies to assist such agencies in conducting self-assessments;

''(15) assist Head Start agencies in improving outreach to, and the quality of services available to, families of limited English proficient children, including such services to help such families learn English, particularly in communities that have experienced a large percentage increase in the population of such families;

''(16) assist Head Start agencies and improve programs to increase the capacity of classroom staff to meet the needs of children with disabilities in Head Start classrooms;

''(17) provide activities that help ensure that Head Start programs have qualified staff who can promote prevention of childhood obesity by integrating into the programs developmentally appropriate research-based initiatives that stress the importance of physical activity and nutrition choices made by children and family, through daily classroom and family routines; and

''(18) assist Indian Head Start agencies to provide on-site and off-site training to staff, using approaches that identify and enhance the positive resources and strengths of Indian children and families, to improve parent and family engagement and staff development, particularly with regard to child and family development.'';

(6) in subsection (e), as redesignated by paragraph (2), by inserting ''including community-based organizations,'' after ''nonprofit entities,'';

(7) in subsection (f), as redesignated by paragraph (2)—

(A) by striking ''early childhood development and child care programs'' and inserting ''early childhood education and care programs''; and

(B) by inserting ''or providing services to children determined to be abused or neglected, training for personnel providing services to children referred by entities providing child welfare services or receiving child welfare services,'' after ''English language)''; and

(8) by adding at the end the following:

''(g) The Secretary shall provide, either directly or through grants or other arrangements, funds for training of Head Start personnel in addressing the unique needs of children with disabilities and their families, migrant and seasonal farmworker families, families of children with limited English proficiency, and homeless families.

''(h) Funds used under this section shall be used to provide high quality, sustained, and intensive, training and technical assistance in order to have a positive and lasting impact on classroom instruction. Funds shall be used to carry out activities related to 1 or more of the following:

''(1) Education and early childhood development.

''(2) Child health, nutrition, and safety.

''(3) Family and community partnerships.

''(4) Other areas that impact the quality or overall effectiveness of Head Start programs.

''(i) Funds used under this section for training shall be used for needs identified annually by a grant applicant (including any delegate agency) in its program improvement plan, except that funds shall not be used for long-distance travel expenses for training activities—

''(1) available locally or regionally; or

''(2) substantially similar to locally or regionally available training activities.

''(j)(1) To support local efforts to enhance early language and preliteracy development of children in Head Start programs, and to provide the children with high-quality oral language skills, and environments that are rich in literature, in which to acquire language and preliteracy skills, each Head Start agency, in coordination with the appropriate State office and the relevant State Head Start collaboration office, shall ensure that all of the agency's Head Start teachers receive ongoing training in language and emergent literacy (referred to in this subsection as 'literacy training'), including appropriate curricula and assessments to improve instruction and learning. Such training shall include training in methods to promote phonological awareness (including phonemic awareness) and vocabulary development in an age-appropriate and culturally and linguistically appropriate manner.

''(2) The literacy training shall be provided at the local level in order—

''(A) to be provided, to the extent feasible, in the context of the Head Start programs of the State involved and the children the program involved serves; and

''(B) to be tailored to the early childhood literacy background and experience of the teachers involved.

''(3) The literacy training shall be culturally and linguistically appropriate and support children's development in their home language.

''(4) The literacy training shall include training in how to work with parents to enhance positive language and early literacy development at home.

''(5) The literacy training shall include specific methods to best address the needs of children who are limited English proficient.

''(6) The literacy training shall include training on how to best address the language and literacy needs of children with disabilities, including training on how to work with specialists in language development.''.

SEC. 18. STAFF QUALIFICATION AND DEVELOPMENT.

Section 648A of the Head Start Act (42 U.S.C. 9843a) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2) and inserting the following:

''(2) DEGREE REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary shall establish staff qualification goals to ensure that—

''(i) not later than September 30, 2012, all Head Start teachers nationwide in center-based programs have at least—

''(I)(aa) an associate degree (or equivalent coursework) relating to early childhood; or

''(bb) an associate degree in a related educational area and, to the extent practicable, coursework relating to early childhood; and

''(II) demonstrated teaching competencies, as determined by the program director involved (including, at a minimum, an appropriate level of literacy, a demonstrated capacity to be highly engaged with children, and a demonstrated ability to effectively implement an early childhood curriculum);

''(ii) not later than September 30, 2010, all Head Start curriculum specialists and education coordinators nationwide in center-based programs have—

''(I) the capacity to offer assistance to other teachers in the implementation and adaptation of curricula to the group and individual needs of a class; and

''(II)(aa) a baccalaureate or advanced degree relating to early childhood; or

''(bb) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood;

''(iii) not later than September 30, 2010, all Head Start teaching assistants nationwide in center-based programs have—

''(I) at least a child development associate credential;

''(II) enrolled in a program leading to an associate or baccalaureate degree; or

''(III) enrolled in a child development associate credential program to be completed within 2 years; and

''(iv) not later than September 30, 2013, 50 percent of all Head Start teachers in center-based programs in each State (and geographic region for Indian Head Start programs and for migrant and seasonal Head Start programs) have a baccalaureate degree relating to early childhood (or a related educational area), and demonstrated teaching competencies, as determined by the program director involved (including, at a minimum, an appropriate level of literacy, a demonstrated capacity to be highly engaged with children, and a demonstrated ability to effectively implement an early childhood curriculum).

''(B) TEACHER IN-SERVICE REQUIREMENT.—Each Head Start teacher shall attend not less than 15 clock hours of professional development per year. Such professional development shall be high quality, sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction and the teacher's performance in the classroom, and regularly evaluated for effectiveness.

''(C) PROGRESS.—

''(i) REPORT.—The Secretary shall—

''(I) require Head Start agencies to—

''(aa) describe continuing progress each year toward achieving the goals described in subparagraph (A);

''(bb) submit to the Secretary a report indicating the number and percentage of classroom instructors in center-based programs with child development associate credentials or associate, baccalaureate, or advanced degrees; and

''(II) compile and submit a summary of all program reports described in subclause (I)(bb) to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

''(ii) DEMONSTRATE PROGRESS.—A Head Start agency may demonstrate that progress by partnering with institutions of higher education or other programs that recruit, train, place, and support college students to deliver an innovative program of early childhood education and care to preschool children.

''(D) SERVICE REQUIREMENTS.—The Secretary shall establish requirements to ensure that, in order to enable Head Start agencies to comply with the requirements of subparagraph (A), individuals who receive financial assistance under this subchapter to pursue a degree or credential described in subparagraph (A) shall—

''(i) teach or work in a Head Start program for a minimum of 3 years after receiving the degree; or

''(ii) repay the total or a prorated amount of the financial assistance received based on the length of service completed after receiving the degree.''; and

(B) in paragraph (3), by striking ''(i) or (ii)'' and inserting ''(i) or (iv)'';

(2) in subsection (c)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(4) promote the use of appropriate strategies to meet the needs of special populations (including populations of limited English proficient children).'';

(3) in subsection (d)(3)(C) by inserting '', including a center,'' after ''any agency''; and

(4) by adding at the end the following:

''(f) PROFESSIONAL DEVELOPMENT PLANS.—Every Head Start agency and center shall create, in consultation with employees of the agency or center (including family service workers), a professional development plan for employees who provide direct services to children, including a plan for classroom teachers, curriculum specialists, and education coordinators, and teaching assistants to meet the requirements set forth in subsection (a).

''(g) CONSTRUCTION.—In this section, a reference to a Head Start agency, or its program, services, facility or personnel, shall not be considered to be a reference to an Early Head Start agency, or its program, services, facility or personnel. For purposes of this section, a teacher who is providing services, in a migrant or seasonal Head Start program, in a classroom for children under age 3, shall be considered to be a teacher in an Early Head Start program, as described in section 645A.''.

SEC. 19. TRIBAL COLLEGES AND UNIVERSITIES HEAD START PARTNERSHIP.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended by inserting after section 648A the following:

''SEC. 648B. TRIBAL COLLEGE OR UNIVERSITY HEAD START PARTNERSHIP PROGRAM.

''(a) PURPOSE.—The purpose of this section is to promote social competencies and school readiness in Indian children.

''(b) TRIBAL COLLEGE OR UNIVERSITY HEAD START PARTNERSHIP PROGRAM.—

''(1) GRANTS.—The Secretary is authorized to award grants, for periods of not less than 5 years, to Tribal Colleges and Universities to—

''(A) implement education programs that include education concerning tribal culture and language and increase the number of associate, baccalaureate, and advanced degrees in early childhood education and related fields that are earned by Indian Head Start agency staff members, parents of children served by such an agency, and members of the tribal community involved;

''(B) develop and implement the programs under subparagraph (A) in technology-mediated formats, including providing the programs through such means as distance learning and use of advanced technology, as appropriate; and

''(C) provide technology literacy programs for Indian Head Start agency staff members and children and families of children served by such an agency.

''(2) STAFFING.—The Secretary shall ensure that the American Indian Programs Branch of the Head Start Bureau of the Department of Health and Human Services shall have staffing sufficient to administer the programs under this section and to provide appropriate technical assistance to Tribal Colleges and Universities receiving grants under this section.

''(c) APPLICATION.—Each Tribal College or University desiring a grant under this section shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require, including a certification that the Tribal College or University has established a partnership with 1 or more Indian Head Start agencies for the purpose of conducting the activities described in subsection (b).

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 2008 and such sums as may be necessary for each of fiscal years 2009 through 2012.

''(e) DEFINITIONS.—In this section:

''(1) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given such term in section

101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

''(2) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University'—

''(A) has the meaning given such term in section 316 of the Higher Education Act of 1965 (20 U.S.C. 1059c); and

''(B) means an institution determined to be accredited or a candidate for accreditation by a nationally recognized accrediting agency or association.''.

SEC. 20. RESEARCH, DEMONSTRATIONS, AND EVALUATION.

Section 649 of the Head Start Act (42 U.S.C. 9844) is amended—

(1) in subsection (a)(1)(B), by inserting '', children determined to be abused or neglected, homeless children, and children in foster care'' after ''children with disabilities'';

(2) in subsection (d)—

(A) by redesignating paragraphs (5), (6), (7), (8), (9), and (10), as paragraphs (6), (8), (9), (10), (11), and (12);

(B) by inserting after paragraph (4) the following:

''(5)(A) identify successful strategies that promote good oral health and provide effective linkages to quality dental services through pediatric dental referral networks, for infants and toddlers participating in Early Head Start programs and children participating in other Head Start programs; and

''(B) identify successful strategies that promote good vision health through vision screenings for such infants, toddlers, and children, and referrals for appropriate followup care for those identified as having a vision problem;'';

(C) in paragraph (6), as redesignated by subparagraph (A), by striking ''child care, early childhood education, or child development services'' and inserting ''early childhood education and care services'';

(D) by inserting after that paragraph (6) the following:

''(7)(A) contribute to understanding the impact of services related to children with disabilities, delivered in Head Start classrooms, on both children with disabilities and typically-developing children; and

''(B) disseminate promising practices for increasing the availability and quality of such services;'';

(E) in paragraph (10), as redesignated by subparagraph (A), by adding ''and'' after the semicolon;

(F) by striking paragraph (11), as redesignated by subparagraph (A);

(G) by redesignating paragraph (12), as redesignated by subparagraph (A), as paragraph (11); and

(H) by striking the last sentence;

(3) in subsection (e)(3), by striking ''child care, early childhood education, or child development services'' and inserting ''early childhood education and care services'';

(4) in subsection (g)—

(A) in paragraph (1)(A)—

(i) in the matter preceding clause (i), by striking ''education, and early childhood programs'' and inserting ''and early childhood education and care programs'';

(ii) by striking clause (i); and

(iii) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively;

(B) in paragraph (2), by striking '', and research, education, and early childhood programs'' and inserting ''and research, and early childhood education and care programs'';

(C) in paragraph (5)(D)—

(i) in clause (i), by striking ''early childhood programs'' and inserting ''early childhood education and care programs''; and

(ii) in clause (ii), by striking ''early childhood program'' and inserting ''early childhood education and care program''; and

(D) in paragraph (7)(C)—

(i) in clause (i), by striking ''2003'' and inserting ''2008''; and

(ii) in clause (ii)—

(I) by striking ''Education and the Workforce'' and inserting ''Education and Labor''; and

(II) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(5) by striking subsection (h) and inserting the following:

''(h) REVIEW OF ASSESSMENTS.—

''(1) APPLICATION OF STUDY.—When the study on Developmental Outcomes and Assessments for Young Children by the National Academy of Sciences is made available to the Secretary, the Secretary shall—

''(A) incorporate the results of the study, as appropriate and in accordance with paragraphs (2) and (3), into each assessment used in the Head Start programs; and

''(B) use the results of the study to develop, inform, and revise the standards and measures described in section 641A.

''(2) DEVELOPMENT AND REFINEMENT.—In developing and refining any assessment used in the Head Start programs, the Secretary shall—

''(A) receive recommendations from the Panel on Developmental Outcomes and Assessments for Young Children of the National Academy of Sciences; and

''(B) with respect to the development or refinement of such assessment, ensure—

''(i) consistency with relevant, nationally recognized professional and technical standards;

''(ii) validity and reliability for all purposes for which assessments under this subchapter are designed and used;

''(iii) developmental and linguistic appropriateness of such assessments for children assessed, including children who are limited English proficient; and

''(iv) that the results can be used to improve the quality of, accountability of, and training and technical assistance in, Head Start programs.

''(3) ADDITIONAL REQUIREMENTS.—The Secretary, in carrying out the process described under paragraph (2), shall ensure that—

''(A) staff administering any assessments under this subchapter have received appropriate training to administer such assessments;

''(B) appropriate accommodations for children with disabilities and children who are limited English proficient are made;

''(C) the English and Spanish (and any other language, as appropriate) forms of such assessments are valid and reliable; and

''(D) such assessments are not used to exclude children from Head Start programs.

''(4) SUSPENDED IMPLEMENTATION OF NATIONAL REPORTING SYSTEM.—The Secretary shall—

''(A) suspend implementation and terminate further development and use of the National Reporting System; and

''(B) incorporate, as appropriate, recommendations under paragraph (2)(A) into any assessment used in the Head Start programs.

''(i) SPECIAL RULE.—The use of assessment items and data on any assessment authorized under this subchapter by any agent of the Federal Government to rank or compare individual children or teachers, or to provide rewards or sanctions for individual children or teachers is prohibited. The Secretary shall not use the results of a single assessment as the sole method for assessing program effectiveness or making grantee funding determinations at the national, regional, or local level under this subchapter.

''(j) SERVICES TO LIMITED ENGLISH PROFICIENT CHILDREN AND FAMILIES.—

''(1) STUDY.—The Secretary shall conduct a study on the status of limited English proficient children and their families in Head Start (including Early Head Start) programs.

''(2) REPORT.—The Secretary shall prepare and submit to Congress, not later than September 2011, a report containing the results of the study, including information on—

''(A) the demographics of limited English proficient children from birth through age 5, including the number of such children receiving Head Start (including Early Head Start) services and the geographic distribution of children described in this subparagraph;

''(B) the nature of Head Start (including Early Head Start) services provided to limited English proficient children and their families, including the types, content, duration, intensity, and costs of family services, language assistance, and educational services;

''(C) procedures in Head Start programs for the assessment of language needs and the transition of limited English proficient children to kindergarten, including the extent to which Head Start programs meet the requirements of section 642A for limited English proficient children;

''(D) the qualifications of and training provided to Head Start (including Early Head Start) teachers serving limited English proficient children and their families;

''(E) the rate of progress made by limited English proficient children and their families in Head Start (including Early Head Start) programs, including—

''(i) the rate of progress of the limited English proficient children toward meeting the additional educational standards described in section 641A(a)(1)(B)(ii) while enrolled in Head Start programs, measured between 1990 and 2006;

''(ii) the correlation between the progress described in this subparagraph and the type of instruction and educational program provided to the limited English proficient children; and

''(iii) the correlation between the progress described in this subparagraph and the health and family services provided by Head Start programs to limited English proficient children and their families; and

''(F) the extent to which Head Start programs make use of funds under section 640(a)(3) to improve the quality of Head Start services provided to limited English proficient children and their families.

''(k) RESEARCH AND EVALUATION ACTIVITIES RELEVANT TO DIVERSE COMMUNITIES.—For purposes of conducting the study in described in subsection (j), activities described in section 640(1)(5)(A), and other research and evaluation activities relevant to limited English proficient children and their families, migrant and seasonal farmworker families, and other families from diverse populations served by Head Start programs, the Secretary shall award, on a competitive basis, funds from amounts made available under section 639(b) to 1 or more organizations with a demonstrated capacity for serving and studying the populations involved.''.

SEC. 21. REPORTS.

Section 650 of the Head Start Act (42 U.S.C. 9846) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Education and the Workforce'' and inserting ''Education and Labor'';

(ii) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(iii) by striking ''(including disabled and non-English language background children)'' and inserting ''(including children with disabilities, limited English proficient children,

and children participating in Indian Head Start programs and migrant and seasonal Head Start programs)'';

(B) in paragraph (8), by inserting ''homelessness, children in foster care,'' after ''ethnic background,'';

(C) in paragraph (12), by inserting ''vision care,'' after ''dental care,'';

(D) in paragraph (14)—

(i) by striking ''Alaskan Natives'' and inserting ''Alaska Natives''; and

(ii) by striking ''migrant and'' and inserting ''migrant or''; and

(E) in the flush matter at the end—

(i) by striking ''Education and the Workforce'' and inserting ''Education and Labor''; and

(ii) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(2) in subsection (b)—

(A) by striking ''Education and the Workforce'' and inserting ''Education and Labor'';

(B) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(C) by striking ''Native Alaskan'' and inserting ''Alaska Native''.

SEC. 22. COMPARABILITY OF WAGES.

Section 653 of the Head Start Act (42 U.S.C. 9848) is amended—

(1) by striking ''The Secretary shall take'' and inserting ''(a) The Secretary shall take''; and

(2) by adding at the end the following:

''(b) No Federal funds shall be used to pay the compensation of an individual employed by a Head Start agency in carrying out programs under this subchapter, either as direct or indirect costs or any proration of such costs, in an amount in excess of an amount based on the rate payable for level II of the Executive Schedule under section 5313 of title 5, United States Code.''.

SEC. 23. LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES.

Section 655 of the Head Start Act (42 U.S.C. 9850) is amended by inserting ''or in'' after ''assigned by''.

SEC. 24. POLITICAL ACTIVITIES.

Section 656 of the Head Start Act (42 U.S.C. 9851) is amended—

(1) by striking all that precedes ''chapter 15'' and inserting the following:

''SEC. 656. POLITICAL ACTIVITIES.

''(a) STATE OR LOCAL AGENCY.—For purposes of''; and

(2) by striking subsection (b) and inserting the following:

''(b) RESTRICTIONS.—

''(1) IN GENERAL.—A program assisted under this subchapter, and any individual employed by, or assigned to or in, a program assisted under this subchapter (during the hours in which such individual is working on behalf of such program), shall not engage in—

''(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

''(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election.

''(2) RULES AND REGULATIONS.—The Secretary, after consultation with the Director of the Office of Personnel Management, may issue rules and regulations to provide for the enforcement of this section, which may include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.''.

SEC. 25. PARENTAL CONSENT REQUIREMENT FOR HEALTH SERVICES.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended by adding at the end the following new section:

''SEC. 657A. PARENTAL CONSENT REQUIREMENT FOR NONEMERGENCY INTRUSIVE PHYSICAL EXAMINATIONS.

''(a) DEFINITION.—The term 'nonemergency intrusive physical examination' means, with respect to a child, a physical examination that—

''(1) is not immediately necessary to protect the health or safety of the child involved or the health or safety of another individual; and

''(2) requires incision or is otherwise invasive, or involves exposure of private body parts.

''(b) REQUIREMENT.—A Head Start agency shall obtain written parental consent before administration of any nonemergency intrusive physical examination of a child in connection with participation in a program under this subchapter.

''(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit agencies from using established methods, for handling cases of suspected or known child abuse and neglect, that are in compliance with applicable Federal, State, or tribal law.''.

SEC. 26. CONFORMING AMENDMENT.

Section 2501(c)(1)(C) of the Children's Health Act of 2000 (42 U.S.C. 247b–1 note) is amended by striking ''9840a(h)'' and inserting ''9840a''.

SEC. 27. COMPLIANCE WITH THE IMPROPER PAYMENTS INFORMATION ACT OF 2002.

(a) DEFINITIONS.—In this section, the term—

(1) ''appropriate committees'' means—

(A) the Committee on Health, Education, Labor, and Pensions of the Senate; and

(B) the Committee on Education and Labor of the House of Representatives; and

(2) ''improper payment'' has the meaning given that term under section 2(d)(2) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note).

(b) REQUIREMENT FOR COMPLIANCE CERTIFICATION AND REPORT.—The Secretary of Health and Human Services shall submit a report to the appropriate committees that—

(1) contains a certification that the Department of Health and Human Services has, for each program and activity of the Administration for Children and Families, performed and completed a risk assessment to determine programs and activities that are at significant risk of making improper payments; and

(2) describes the actions to be taken to reduce improper payments for the programs and activities determined to be at significant risk of making improper payments.

SA 1715. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. REID to the bill H.R. 6, to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes; which was ordered to lie on the table; as follows:

On page 221, line 21, strike ''and''.

On page 221, between lines 21 and 22, insert the following:

(iv) wood products that are certified under all nationally recognized sustainable forest certification programs, as determined by the Director, that are carried out by a third party; and

On page 221, line 22, strike ''(iv)'' and insert ''(v)''.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will be held on June 27, 2007, at 2:30 p.m. in Room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 1171, a bill to amend the Colorado River Storage Project Act and Public Law 87–483; to authorize the construction and rehabilitation of water infrastructure in northwestern New Mexico; to authorize the use of the reclamation fund to fund the Reclamation Water Settlements Fund; to authorize the conveyance of certain reclamation land and infrastructure; to authorize the Commissioner of Reclamation to provide for the delivery of water; and to resolve the Navajo Nation's water rights claims in the San Juan River basin in New Mexico.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send it to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510–6150, or by email to *Gina_Weinstock@energy.senate.gov*.

For further information, please contact Michael Connor at (202) 224–5479 or Gina Weinstock at (202) 224–5684.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BROWN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, June 19, 2007, at 9:30 a.m., in open session to consider the nomination of the honorable Preston M. Geren, to be Secretary of the Army.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BROWN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, June 19, 2007, at 10 a.m., in 215 Dirksen Senate Office Building, to consider an original bill entitled the ''Energy Advancement and Investment Act of 2007.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BROWN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 19, 2007, at 10 a.m. to hold a nomination hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BROWN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 19, 2007, at 2:30 p.m. to hold a hearing on the Western Hemisphere Travel Initiative.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. BROWN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate, on Tuesday, June 19, 2007, at 9:30 a.m. in order to conduct a hearing entitled: ''The Juvenile Diabetes Research Foundation and the Federal Government: A Model Public-Private Partnership Accelerating Research Toward a Cure.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BROWN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on June 19, 2007 at 2:30 p.m. to hold an open hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mrs. MURRAY. Mr. President, I ask unanimous consent that Crystal Bridgeman, a fellow on my staff, be granted floor privileges for the remainder of this session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Jodie Sweitzer, an intern with my staff on the Energy and Natural Resources Committee, be granted the privileges of the floor during the remainder of debate on the energy bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPROVING HEAD START ACT OF 2007

Mr. SCHUMER. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 137, H.R. 1429, the Head Start authorization bill.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1429) to reauthorize the Head Start Act, to improve program quality, to expand access, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. KENNEDY. Mr. President, I welcome the Senate's action on this important legislation, the Head Start for School Readiness Act.

I commend Senator ENZI, Senator DODD, and Senator ALEXANDER for their bipartisan cooperation on this legislation, and I thank all the Senators on the HELP Committee for their contributions to improving Head Start to meet today's challenges. We began this process four years ago. Today, our bipartisan efforts have resulted in the strengthening of a 42 year old program that has been a lifeline of support for millions of low-income children preparing for school and for life.

Since the War on Poverty, Head Start has delivered the assistance needed to enable disadvantaged children to arrive at school, ready to learn. Its comprehensive services provide balanced meals for children, support visits to the doctor and dentist, and teach young children important learning and social skills. It helps families with the greatest needs get on their feet, and encourages parents to participate actively in their child's early development.

Years of evaluation have demonstrated that Head Start works. A Federal survey found that Head Start children make both academic and social gains under the program, and that these gains continue when children enter kindergarten. Once Head Start children complete their kindergarten year, they are near the national average of 100 in key areas, with scores of 93 in vocabulary, 96 in early writing, and 92 in early math.

Over the years, we've also learned more about how Head Start can be improved. This reauthorization applies that knowledge to make modifications in the program, and it will enable Head Start to be even more effective in the years ahead.

In this legislation, we expand Head Start to include thousands of low-income children who are not yet served by the program. We provide for better coordination of Head Start with State programs for low-income children. We strengthen Head Start's focus on critical early learning skills and school readiness. We enhance the educational goals for Head Start teachers. We preserve the community-based structure of the program to ensure that the needs of local neighborhoods and their children are the top priority. We also provide greater accountability for the program, including new policies to provide improved monitoring visits and guarantee that programs with deficiencies receive needed attention and support.

To strengthen Head Start, we must begin by providing more resources for it. Child poverty is on the rise again and the need for Head Start is greater than ever. Today, less than 50 percent of children eligible for Head Start participate in the program. Hundreds of thousands of 3- and 4-year-olds are left out because of inadequate funding. Early Head Start serves only 3 percent of eligible infants and toddlers. It is shameful that 97 percent of the children eligible for Early Head Start have no access to it. This legislation expands access to Head Start to serve as many infants, toddlers, and preschool children and their families as possible.

The bill establishes goals to increase funding and expand the program to provide nearly $8 billion worth of services by 2010. These funding levels are essential to carry out the essential reforms in the legislation and to serve thousands of additional children and families.

In 1994, we enacted Early Head Start to benefit infants, toddlers, and their families. It has worked ever since. Early Head Start children have larger vocabularies, lower levels of aggressive behavior, and higher levels of sustained attention than children not enrolled in the program. Early Head Start parents are more likely to play with their children and read to them. These activities increase a child's desire to learn and strengthen a family's commitment to education. Our bill doubles the size of Early Head Start over the course of the authorization, and includes a commitment to serve 56,000 additional children.

The bill also establishes a Head Start Collaboration Office in every State to improve support for Head Start children, to align Head Start with kindergarten classrooms, and to strengthen its local partnerships with other agencies. These offices will work hand in hand with the Head Start network of training and technical assistance to support grantees in meeting the goals of preparing children for school.

I'm especially pleased that the bill provides the blueprint needed to upgrade and strengthen other early childhood education programs and services in the states. The bill provides an active role for states in coordinating early childhood education and development programs, and designates an Early Care and Education Council in each state to undertake the activities essential to developing a comprehensive system for the nation's youngest children. The councils will conduct an inventory of children's needs, develop plans for data collection, support early childhood educators, review and upgrade early learning standards, and make recommendations on technical assistance and training. For States ready to move forward and implement their statewide plan, the legislation offers $100 million to support incentive grants for States to implement these important efforts.

Over the past four decades, Head Start has developed quality and performance standards to guarantee a full range of services, so that children are educated in the basics about letters, numbers, and books, and are also healthy, well-fed, and supported in stable and nurturing relationships. Head

Start is already a model program, but we can enhance its quality even more.

The bill strengthens literacy efforts currently underway in Head Start programs. We know the key to future reading success is to get young children excited about letters and books and numbers. The bill emphasizes language and literacy, by enhancing the literacy training required of Head Start teachers, continuing to promote parent literacy, and working to put more books into Head Start classrooms and into children's homes.

In addition, we make a commitment in the bill to upgrade all of the educational components of Head Start, and ensure that the services are aligned with expectations for children's kindergarten year and continue to be driven by the effective Head Start Child Outcomes Framework.

At the heart of Head Start's success are its teachers and staff. They are caring, committed leaders who know the children they serve and are dedicated to improving their lives. They help children learn to identify letters of the alphabet and arrange the pieces of puzzles. They teach them to brush their teeth, wash their hands, make friends and follow rules. Yet their salary is only half the salary of kindergarten teachers, and the turnover is high, about 11 percent a year.

Because teacher quality is directly related to a child's outcome, our bill establishes a goal to ensure that every Head Start teacher earns an A.A. degree, and that half earn their B.A. degree by the next time Congress revisits the program. Head Start teachers and staff are the greatest resource for children and families in the program, and investing in their development must be a priority. I look forward to working with my colleagues to match these ambitious goals with the funding needed to make them a reality.

Our legislation also gives local Head Start programs greater authority to assess the needs of families in their communities and define the services necessary to meet those needs. We've lifted the eligibility requirements under the program, so that families living below 130 percent of the Federal poverty rate can qualify and participate in Head Start. Yet we still prioritize services to children who need them the most. If programs determine that a greater share of infants and toddlers need services, our bill allows them to apply to the Secretary to convert and expand services to our youngest children. If programs identify a need to provide full-day or full-year care for children and families, they can take steps to do this as well.

Accountability is a cornerstone of excellence in education and should start early. Head Start should be accountable for its commitment to provide safe and healthy learning environments, to support each child's individual pattern of development and learning, to cement community partnerships in services for children, and to involve parents in their child's growth.

Head Start reviews are already among the most extensive in the field. Our bill takes a further step to improve this process by ensuring that monitoring results and feedback are available to programs and used for their improvement. We also take steps to address programs with serious deficiencies, and ensure that substantial problems in programs do not languish at the expense of children. If a local program is unable to meet Head Start's high standards of quality, others should step in. Every Head Start child deserves to develop and learn in a high-quality program.

Our bill also takes an important step to suspend the Head Start National Reporting System. Four years ago, many of us insisted that instead of rushing forward with a national test of hundreds of thousands of children, Head Start would be better served if plans were developed more deliberately to ensure an appropriate means to gather and report child outcomes in programs. That appeal was ignored, and the Administration proceeded with an assessment—without sufficient authorization or oversight from Congress—that was later proven flawed and inconsistent with professional standards for testing and measurement.

This legislation requires that the assessments used in Head Start must be held to the highest standard. Head Start's measures must be valid and reliable, fair to children from all backgrounds, balanced in what they assess, and sufficient to reflect the development of the whole child. We've called on the National Academy of Sciences to survey and study the state of assessments and outcomes appropriate for young children in environments like Head Start. Their study will be of great value as we consider how best to move forward in Head Start and other early childhood settings.

Finally, the bill maintains the essential Federal-to-local structure of Head Start, and rejects other proposals that would dilute this important focus. Head Start's design enables it to tailor its services to meet local community needs. Head Start's regulations guarantee a universal standard of quality across all programs. Yet each program is unique and specifically adapted to its children and families. The focus on local neighborhoods and their children must always be at the heart of Head Start.

One of our highest priorities in Congress is to expand educational opportunities for every American. In this age of globalization, every citizen deserves a chance to acquire the educational skills needed to compete in the modem economy. This process starts early—it begins at birth and continues throughout the early years, long before children enter kindergarten.

The Head Start for School Readiness Act of 2007 will keep Head Start on its successful path, and enable this vital program to continue to thrive and improve. I look forward to swift passage of this legislation in the Senate, and a productive Conference with the House on the important reforms in this bill.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mr. DODD. Mr. President, I am delighted to join my colleagues in supporting the Head Start for School Readiness Act, which reauthorizes this critically important program to help prepare our most disadvantaged young children to attend school. We have worked hard to bring this bipartisan bill to the floor, and I particularly thank Senators KENNEDY, ENZI, and ALEXANDER for their leadership on this issue.

For more than 40 years, Head Start provided comprehensive early childhood development services to low-income children, creating an important bridge to kindergarten and beyond.

Head Start addresses the comprehensive needs of children and their families by offering not only academic opportunities, but also supports for health, nutrition, social skills, and more. More than 900,000 children across the Nation, including nearly 9,000 children in Connecticut, depend on Head Start to support their social, emotional, physical, and cognitive development. Head Start is the foundation for a lifetime of learning for many of our most vulnerable children, and this reauthorization provides for continued success, while also strengthening the program.

Among the many improvements in this legislation, of great importance is the expanded access to Head Start for more disadvantaged children. In Connecticut and other States where the cost of living is particularly high, many poor families aren't able to enroll their children in Head Start because they earn incomes just above the poverty level. This reauthorization allows programs to serve families with incomes up to 130 percent of the Federal poverty level, and expands opportunities for children of migrant families, Indian children, homeless children, foster children, as well as additional infants and toddler in Early Head Start programs.

Currently, only half of all eligible children are served in Head Start, and fewer than 5 percent are served in Early Head Start. Head Start programs are also facing tremendous increases in operating costs, including transportation, health care premiums, facilities maintenance, and training for staff; yet Head Start has essentially been flatfunded for years. This legislation authorizes an increase from $6.9 billion in the current fiscal year, to $7.3 billion in fiscal year 2008, $7.5 billion in fiscal year 2009, and $7.9 billion in fiscal year 2010, which will begin to meet the needs of Head Start children and allow for more enrollment opportunities. However, we must also acknowledge that we still have far to go before we provide adequate resources to this invaluable program.

We know that children struggle when their families are not involved in their education; and that parents play the most important role in ensuring the success of their children. This legislation encourages a high level of family involvement, maintains the integral participation of parents in the day-to-day operations of the programs, and offers family members key roles as decisionmakers.

I am pleased that this bill also improves program accountability by further clarifying governance responsibilities and enhancing teacher quality expectations. While we establish goals for improving educational standards for staff, we acknowledge that current resources may not adequately support staff to pursue additional training, nor provide enough for increased wages; therefore, we do not make these standards mandatory.

Head Start must continue to maintain a core and integral role in our broader early childhood care and education systems as we expand our efforts to improve early education across this country. The legislation encourages greater collaboration and coordination with other early childhood development programs.

Passing the Head Start for School Readiness Act today is an important step forward to improve opportunities for low-income children. Nothing reduces poverty like learning, and Head Start gives children what they need to learn early. I look forward to working with my colleagues to see that this important legislation becomes law.●

Mrs. MURRAY. Mr. President, I would like to inquire of Chairman KENNEDY regarding the State advisory councils on early childhood education and care included in S. 556, the Head Start for School Readiness Act.

Mr. KENNEDY. Mr. President, S. 556 affirms the active role that States have in coordinating their system of early childhood education programs, and encourages States to enhance that role to increase the quality of programs available to young children. The act designates an early care and education council in each State for the purposes of conducting an inventory of children's needs and exploring the availability of prekindergarten opportunities; exploring areas for collaboration and coordination across programs; developing plans for data collection and to support the professional development of early childhood educators; and providing for the review and upgrading of State early learning standards. For those States prepared and interested in moving forward with a statewide plan encompassing these activities, S. 556 provides for one-time incentive grants to further develop and implement these important efforts.

S. 556 also permit States to designate an existing entity to serve as the State advisory council on early childhood education and care, if such entity includes representation consistent with members mentioned in the act.

Mrs. MURRAY. I thank the chairman for his explanation of these provisions. I am concerned, however, that it may not be practical for States with existing advisory councils to reconfigure their membership to reflect all of the individuals mentioned in the Head Start bill. In my home State of Washington, we are leading the way on early childhood coordination and reform with the establishment in 2005 of Governor Gregoire's cabinet-level Department of Early Learning and the Early Learning Council, which became the Early Learning Advisory Council. The council is working hard to make sure early learning programs in my State are aligned and are providing high quality services. However, I want to make sure that the council is not unduly burdened for being a leader, and that it will not have to reconstitute its membership. I ask the chairman for his commitment to work with me as this bill is considered in conference with the House, to further resolve this issue.

Mr. KENNEDY. I agree and would be happy to work with you on this issue. S. 556 directs Governors to designate specific individuals as members of the State advisory council to the maximum extent possible. While some members may need to be added by States to their existing councils in order to meet the goals of this legislation, I agree fully that Governors will need some flexibility in this function. Therefore, I support grant additional discretion as they consider the makeup and function of their existing councils in relation to the roles and responsibilities under this Act.

Mr. DODD. Mr. President, I share Senator MURRAY's concerns and appreciate the commitment to working with us on this issue.

S. 556 also includes specific responsibilities of the State advisory council regarding early childhood activities, professional development and opportunities for coordination and collaboration. My State of Connecticut has been a leader in promoting the coordination and improvement of early learning opportunities for young children and has successfully carried out activities that complement the responsibilities under this act. Connecticut's Early Childhood Education Cabinet, which includes many of the members required by the Head Start Act, already advises the State on policy and on initiatives to meet early childhood goals, conducts statewide evaluations of the school readiness programs, and promotes collaboration and consistency of quality services.

Is it the intention that States would be required to abandon the progress made with their existing efforts and begin new initiatives to fulfill their responsibilities under S. 556?

Mr. KENNEDY. I appreciate the Senator's inquiry on this important point. That is not my intention, and S. 556 does not stipulate any requirements for States to conduct new efforts concerning their assessment of children's needs, opportunities for collaboration and coordination, the establishment of a unified data system, professional development activities, or other efforts described under the responsibilities of the State Advisory Council in this legislation. My own State of Massachusetts has also been a leader in carrying out several of these efforts through our own State Department of Early Care and Education.

Preexisting and current efforts in States to improve and enhance the quality of early childhood education programs would certainly help fulfill and count toward the responsibilities stipulated by the Head Start for School Readiness Act.

I ask Senator ENZI if he agrees with this point.

Mr. ENZI. I do agree with the chairman and would be happy to join him, Senator DODD, and Senator MURRAY in further clarifying these points as the conference committee considers S. 556 and begins its work on the reauthorization of the Head Start Act.

Mr. KENNEDY. I thank my colleagues for their work with me on these issues, and I commend them for their leadership on the important reforms in this bill.

Mr. SCHUMER. I ask unanimous consent that the substitute amendment at the desk be considered and agreed to and the motion to reconsider be laid upon the table; that the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table; that the Senate insist upon its amendment, request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on the part of the Senate; and that the HELP Committee be appointed as conferees, with the above occurring without further intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1714) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER appointed Senators KENNEDY, DODD, HARKIN, MIKULSKI, BINGAMAN, MURRAY, REED, CLINTON, OBAMA, SANDERS, BROWN, ENZI, GREGG, ALEXANDER, BURR, ISAKSON, MURKOWSKI, HATCH, ROBERTS, ALLARD, and COBURN conferees on the part of the Senate.

ORDERS FOR WEDNESDAY, JUNE 20, 2007

Mr. SCHUMER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9:30 a.m., Wednesday, June 20; that on Wednesday, following the prayer and pledge, the Journal of proceedings be approved

to date, the morning hour be deemed expired, and the time for the two leaders reserved for their use later in the day; that the Senate then resume consideration of H.R. 6 and resume consideration of the DeMint amendment No. 1546 and that there be 30 minutes of debate prior to a vote in relation to the amendment, with the time equally divided and controlled between Senators DEMINT and BINGAMAN or their designees; that no amendment be in order prior to a vote in relation to the amendment; that upon the use or yielding back of time, the Senate proceed to vote in relation to the amendment, without further intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. SCHUMER. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 8:18 p.m., adjourned until Wednesday, June 20, 2007, at 9:30 a.m.