

110TH CONGRESS
1ST SESSION

H. R. 3238

To promote the development of renewable fuels infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2007

Mr. BOUCHER (for himself and Mr. DINGELL) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science and Technology, Transportation and Infrastructure, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To promote the development of renewable fuels infrastructure, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TABLE OF CONTENTS.**

4 The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—RENEWABLE FUEL INFRASTRUCTURE

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Sec. 102. Prohibition on franchise agreement restrictions related to renewable fuel infrastructure.

Sec. 103. Renewable fuel dispenser requirements.

Sec. 104. Pipeline feasibility study.

- Sec. 105. Study of ethanol-blended gasoline with greater levels of ethanol.
 Sec. 106. Study of the adequacy of railroad transportation of domestically-produced renewable fuel.
 Sec. 107. Standard specifications for biodiesel.
 Sec. 108. Grants for cellulosic ethanol production.
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TITLE II—UNITED STATES-ISRAEL ENERGY COOPERATION

- Sec. 201. Short title.
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1 **TITLE I—RENEWABLE FUEL** 2 **INFRASTRUCTURE**

3 **SEC. 101. RENEWABLE FUEL INFRASTRUCTURE DEVELOP-** 4 **MENT.**

5 (a) DEFINITION.—For purposes of this Act—

6 (1) the term “renewable fuel” means E85
 7 biofuel, or B20;

8 (2) the term “biofuel” means fuel produced en-
 9 tirely from biological material and determined by the
 10 Department of Energy and the Environmental Pro-
 11 tection Agency to be commercially viable;

12 (3) the term “B20” means a mixture of bio-
 13 diesel and diesel fuel meeting the standard estab-

1 lished by the American Society for Testing and Ma-
2 terials or under section 211(u) of the Clean Air Act
3 for fuel containing 20 percent biodiesel;

4 (4) the term “E85” means a fuel blend con-
5 taining 85 percent denatured ethanol and 15 percent
6 gasoline by volume;

7 (5) the term “flexible-fuel vehicle” means any
8 motor vehicle warranted by the manufacturer of the
9 vehicle as capable of operating on gasoline or diesel
10 fuel and on—

11 (A) E85; or

12 (B) B20; and

13 (6) the term “motor vehicle” means, as defined
14 in regulations promulgated by the Administrator of
15 the Environmental Protection Agency that are in ef-
16 fect on the date of enactment of this Act—

17 (A) a light-duty truck;

18 (B) a light-duty vehicle; or

19 (C) medium-duty passenger vehicle,

20 that is designed to be propelled by gasoline or diesel
21 fuel.

22 (b) INFRASTRUCTURE DEVELOPMENT GRANTS.—
23 The Secretary of Energy shall establish a program for
24 making grants for providing assistance to retail and
25 wholesale motor fuel dealers or other entities for the in-

1 stallation, replacement, or conversion of motor fuel storage
2 and dispensing infrastructure to be used exclusively to
3 store and dispense renewable fuel. Such infrastructure
4 may include equipment used in the blending, distribution,
5 and transport of such fuels.

6 (c) RETAIL TECHNICAL AND MARKETING ASSIST-
7 ANCE.—The Secretary of Energy shall enter into contracts
8 with entities with demonstrated experience in assisting re-
9 tail fueling stations in installing refueling systems and
10 marketing renewable fuels nationally, for the provision of
11 technical and marketing assistance to recipients of grants
12 under this section. Such assistance shall include—

13 (1) technical advice for compliance with applica-
14 ble Federal and State environmental requirements;

15 (2) help in identifying supply sources and se-
16 curing long-term contracts; and

17 (3) provision of public outreach, education, and
18 labeling materials.

19 (d) ALLOCATION.—The Secretary of Energy may re-
20 serve funds appropriated for carrying out this section to
21 support renewable fuels infrastructure development
22 projects with a cost of greater than \$1,000,000, that are
23 of national significance. The Secretary shall reserve funds
24 appropriated for the renewable fuels infrastructure devel-

1 opment grant program for technical and marketing assist-
2 ance described in subsection (c).

3 (e) SELECTION CRITERIA.—Not later than 12
4 months after the date of enactment of this Act, the Sec-
5 retary shall establish criteria for evaluating applications
6 for grants under this section that will maximize the avail-
7 ability and use of renewable fuel, and that will ensure that
8 renewable fuel is available across the country. Such cri-
9 teria shall provide for—

10 (1) consideration of the public demand for each
11 renewable fuel in a particular geographic area based
12 on State registration records showing the number of
13 flexible-fuel vehicles;

14 (2) consideration of the opportunity to create or
15 expand corridors of renewable fuel stations along
16 interstate or State highways;

17 (3) consideration of the experience of each ap-
18 plicant with previous, similar projects;

19 (4) consideration of population, number of flexi-
20 ble-fuel vehicles, number of retail fuel outlets, and
21 saturation of flexible-fuel vehicles; and

22 (5) priority consideration to applications that—

23 (A) are most likely to maximize displace-
24 ment of petroleum consumption, measured as a
25 total quantity and a percentage;

1 (B) are best able to incorporate existing
2 infrastructure while maximizing, to the extent
3 practicable, the use of renewable fuels; and

4 (C) demonstrate the greatest commitment
5 on the part of the applicant to ensure funding
6 for the proposed project and the greatest likeli-
7 hood that the project will be maintained or ex-
8 panded after Federal assistance under this sec-
9 tion is completed.

10 (f) COMBINED APPLICATIONS.—States and local gov-
11 ernment entities and nonprofit entities may apply for as-
12 sistance under this section on behalf of a group of retailers
13 within a certain geographic area, or to carry out regional
14 or multistate deployment projects. Any such application
15 shall certify the availability and details of a program to
16 match the Federal grant as required under subsection (g)
17 and list the retail locations that would receive the funds.

18 (g) LIMITATIONS.—Assistance provided under this
19 section shall not exceed—

20 (1) 33 percent of the estimated cost of the in-
21 stallation, replacement, or conversion of motor fuel
22 storage and dispensing infrastructure; or

23 (2) \$180,000 for a combination of equipment at
24 any one retail outlet location.

1 (h) OPERATION OF RENEWABLE FUEL STATIONS.—

2 The Secretary shall establish rules that set forth require-
3 ments for grant recipients under this section that include
4 providing to the public the renewable fuel, establishing a
5 marketing plan that informs consumers of the price and
6 availability of the renewable fuel, clearly labeling the dis-
7 pensers and related equipment, and providing periodic re-
8 ports on the status of the renewable fuel sales, the type
9 and amount of the renewable fuel dispensed at each loca-
10 tion, and the average price of such fuel.

11 (i) NOTIFICATION REQUIREMENTS.—Not later than
12 the date on which each renewable fuel station begins to
13 offer renewable fuel to the public, the grant recipient that
14 used grant funds to construct or upgrade such station
15 shall notify the Secretary of Energy of such opening. The
16 Secretary of Energy shall add each new renewable fuel
17 station to the renewable fuel station locator on its Website
18 when it receives notification under this subsection.

19 (j) INELIGIBILITY.—No person may receive assist-
20 ance under this section and receive a credit under section
21 30C of the Internal Revenue Code of 1986.

22 (k) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to the Secretary of En-
24 ergy for carrying out this section \$200,000,000 for each
25 of the fiscal years 2008 through 2014.

1 (l) RESTRICTION.—No grant shall be provided under
2 this section to a large, vertically integrated oil company.

3 **SEC. 102. PROHIBITION ON FRANCHISE AGREEMENT RE-**
4 **STRICTIONS RELATED TO RENEWABLE FUEL**
5 **INFRASTRUCTURE.**

6 (a) IN GENERAL.—Title I of the Petroleum Mar-
7 keting Practices Act (15 U.S.C. 2801 et seq.) is amended
8 by adding at the end the following:

9 **“SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLA-**
10 **TION OF RENEWABLE FUEL PUMPS.**

11 “(a) DEFINITION.—In this section:

12 “(1) RENEWABLE FUEL.—The term ‘renewable
13 fuel’ means any fuel—

14 “(A) at least 85 percent of the volume of
15 which consists of ethanol; or

16 “(B) any mixture of biodiesel and diesel or
17 renewable diesel (as defined in regulations
18 adopted pursuant to section 211(o) of the Clean
19 Air Act (40 C.F.R., Part 80)), determined with-
20 out regard to any use of kerosene and con-
21 taining at least 20 percent biodiesel or renew-
22 able diesel.

23 “(2) FRANCHISE-RELATED DOCUMENT.—The
24 term ‘franchise-related document’ means—

25 “(A) a franchise under this Act; and

1 “(B) any other contract or directive of a
2 franchisor relating to terms or conditions of the
3 sale of fuel by a franchisee.

4 “(b) PROHIBITIONS.—

5 “(1) IN GENERAL.—No franchise-related docu-
6 ment entered into or renewed on or after the date
7 of enactment of this section shall contain any provi-
8 sion allowing a franchisor to restrict the franchisee
9 or any affiliate of the franchisee from—

10 “(A) installing on the marketing premises
11 of the franchisee a renewable fuel pump or
12 tank, except that the franchisee’s franchisor
13 may restrict the installation of a tank on leased
14 marketing premises of such franchisor;

15 “(B) converting an existing tank or pump
16 on the marketing premises of the franchisee for
17 renewable fuel use, so long as such tank or
18 pump and the piping connecting them are ei-
19 ther warranted by the manufacturer or certified
20 by a recognized standards setting organization
21 to be suitable for use with such renewable fuel;

22 “(C) advertising (including through the
23 use of signage) the sale of any renewable fuel;

24 “(D) selling renewable fuel in any specified
25 area on the marketing premises of the

1 franchisee (including any area in which a name
2 or logo of a franchisor or any other entity ap-
3 pears);

4 “(E) purchasing renewable fuel from
5 sources other than the franchisor if the
6 franchisor does not offer its own renewable fuel
7 for sale by the franchisee;

8 “(F) listing renewable fuel availability or
9 prices, including on service station signs, fuel
10 dispensers, or light poles; or

11 “(G) allowing for payment of renewable
12 fuel with a credit card,

13 so long as such activities described in subparagraphs
14 (A) through (G) do not constitute mislabeling, mis-
15 branding, willful adulteration, or other trademark
16 violations by the franchisee.

17 “(2) EFFECT OF PROVISION.—Nothing in this
18 section shall be construed to preclude a franchisor
19 from requiring the franchisee to obtain reasonable
20 indemnification and insurance policies.

21 “(c) EXCEPTION TO 3-GRADE REQUIREMENT.—No
22 franchise-related document that requires that 3 grades of
23 gasoline be sold by the applicable franchisee shall prevent
24 the franchisee from selling an renewable fuel in lieu of
25 1, and only 1, grade of gasoline.”.

1 (b) ENFORCEMENT.—Section 105 of the Petroleum
2 Marketing Practices Act (15 U.S.C. 2805) is amended by
3 striking “102 or 103” each place it appears and inserting
4 “102, 103, or 107”.

5 (c) CONFORMING AMENDMENTS.—

6 (1) IN GENERAL.—Section 101(13) of the Pe-
7 troleum Marketing Practices Act (15 U.S.C.
8 2801(13)) is amended by aligning the margin of
9 subparagraph (C) with subparagraph (B).

10 (2) TABLE OF CONTENTS.—The table of con-
11 tents of the Petroleum Marketing Practices Act (15
12 U.S.C. 2801 note) is amended—

13 (A) by inserting after the item relating to
14 section 106 the following:

“Sec. 107. Prohibition on restriction of installation of renewable fuel pumps.”;

15 and

16 (B) by striking the item relating to section
17 202 and inserting the following:

“Sec. 202. Automotive fuel rating testing and disclosure requirements.”.

18 **SEC. 103. RENEWABLE FUEL DISPENSER REQUIREMENTS.**

19 (a) MARKET PENETRATION REPORTS.—The Sec-
20 retary of Energy, in consultation with the Secretary of
21 Transportation, shall determine and report to Congress
22 annually on the market penetration for flexible-fuel vehi-
23 cles in use within geographic regions to be established by
24 the Secretary of Energy.

1 (b) DISPENSER FEASIBILITY STUDY.—Not later
2 than 24 months after the date of enactment of this Act,
3 the Secretary of Energy, in consultation with the Depart-
4 ment of Transportation, shall report to the Congress on
5 the feasibility of requiring motor fuel retailers to install
6 E-85 compatible dispensers and related systems at retail
7 fuel facilities in regions where flexible-fuel vehicle market
8 penetration has reached 15 percent of motor vehicles. In
9 conducting such study, the Secretary shall consider and
10 report on the following factors:

11 (1) The commercial availability of E-85 fuel
12 and the number of competing E-85 wholesale sup-
13 pliers in a given region.

14 (2) The level of financial assistance provided on
15 an annual basis by the Federal Government, State
16 governments, and nonprofit entities for the installa-
17 tion of E-85 compatible infrastructure.

18 (3) The number of retailers whose retail loca-
19 tions are unable to support more than 2 under-
20 ground storage tank dispensers.

21 (4) The expense incurred by retailers in the in-
22 stallation and sale of E-85 compatible dispensers
23 and related systems and any potential effects on the
24 price of motor vehicle fuel.

1 **SEC. 104. PIPELINE FEASIBILITY STUDY.**

2 (a) IN GENERAL.—The Secretary of Energy, in con-
3 sultation with the Secretary of Transportation, shall con-
4 duct a study of the feasibility of the construction of dedi-
5 cated ethanol pipelines.

6 (b) FACTORS.—In conducting the study, the Sec-
7 retary shall consider—

8 (1) the quantity of ethanol production that
9 would make dedicated pipelines economically viable;

10 (2) existing or potential barriers to dedicated
11 ethanol pipelines, including technical, siting, financ-
12 ing, and regulatory barriers;

13 (3) market risk (including throughput risk) and
14 means of mitigating the risk;

15 (4) regulatory, financing, and siting options
16 that would mitigate risk in those areas and help en-
17 sure the construction of 1 or more dedicated ethanol
18 pipelines;

19 (5) financial incentives that may be necessary
20 for the construction of dedicated ethanol pipelines,
21 including the return on equity that sponsors of the
22 initial dedicated ethanol pipelines will require to in-
23 vest in the pipelines;

24 (6) technical factors that may compromise the
25 safe transportation of ethanol in pipelines, identi-

1 fying remedial and preventative measures to ensure
2 pipeline integrity; and

3 (7) such other factors as the Secretary con-
4 siders appropriate.

5 (c) REPORT.—Not later than 15 months after the
6 date of enactment of this Act, the Secretary shall submit
7 to Congress a report describing the results of the study
8 conducted under this section.

9 **SEC. 105. STUDY OF ETHANOL-BLENDED GASOLINE WITH**
10 **GREATER LEVELS OF ETHANOL.**

11 (a) IN GENERAL.—The Administrator of the Envi-
12 ronmental Protection Agency, in cooperation with the Sec-
13 retary of Energy and the Secretary of Transportation, and
14 after providing notice and an opportunity for public com-
15 ment, shall conduct a study of the feasibility of widespread
16 utilization in the United States of ethanol blended gasoline
17 with levels of ethanol greater than 10 percent.

18 (b) STUDY.—The study under subsection (a) shall in-
19 clude—

20 (1) a review of production and infrastructure
21 constraints on increasing the consumption of eth-
22 anol;

23 (2) an evaluation of the economic, market, and
24 energy impacts of State and regional differences in
25 ethanol blends;

1 (3) an evaluation of the economic, market, and
2 energy impacts on gasoline retailers and consumers
3 of separate and distinctly labeled fuel storage facili-
4 ties and dispensers;

5 (4) an evaluation of the environmental impacts
6 of mid-level ethanol blends on evaporative and ex-
7 haust emissions from on-road, off-road and marine
8 engines, recreational boats, vehicles, and equipment;

9 (5) an evaluation of the impacts of mid-level
10 ethanol blends on the operation, durability, and per-
11 formance of on-road, off-road, and marine engines,
12 recreational boats, vehicles, and equipment; and

13 (6) an evaluation of the safety impacts of mid-
14 level ethanol blends on consumers that own and op-
15 erate off-road and marine engines, recreational
16 boats, vehicles, or equipment.

17 (c) REPORT.—Not later than 24 months after the
18 date of enactment of this Act, the Administrator shall sub-
19 mit to the Committee on Energy and Commerce of the
20 House of Representatives and the Committee on Environ-
21 ment and Public Works of the Senate a report describing
22 the results of the study conducted under this section.

23 (d) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to the Administrator

1 such sums as may be necessary for the completion of the
2 study required under this section.

3 **SEC. 106. STUDY OF THE ADEQUACY OF RAILROAD TRANS-**
4 **PORTATION OF DOMESTICALLY-PRODUCED**
5 **RENEWABLE FUEL.**

6 (a) STUDY.—

7 (1) IN GENERAL.—The Secretary of Energy, in
8 consultation with the Secretary of Transportation,
9 shall conduct a study of the adequacy of railroad
10 transportation of domestically-produced renewable
11 fuel.

12 (2) COMPONENTS.—In conducting the study
13 under paragraph (1), the Secretary shall consider—

14 (A) the adequacy of, and appropriate loca-
15 tion for, tracks that have sufficient capacity,
16 and are in the appropriate condition, to move
17 the necessary quantities of domestically-pro-
18 duced renewable fuel;

19 (B) the adequacy of the supply of railroad
20 tank cars, locomotives, and rail crews to move
21 the necessary quantities of domestically-pro-
22 duced renewable fuel in a timely fashion;

23 (C)(i) the projected costs of moving the do-
24 mesticallly-produced renewable fuel using rail-
25 road transportation; and

1 (ii) the impact of the projected costs on
2 the marketability of the domestically-produced
3 renewable fuel;

4 (D) whether there is adequate railroad
5 competition to ensure—

6 (i) a fair price for the railroad trans-
7 portation of domestically-produced renew-
8 able fuel; and

9 (ii) acceptable levels of service for rail-
10 road transportation of domestically-pro-
11 duced renewable fuel;

12 (E) any rail infrastructure capital costs
13 that the railroads indicate should be paid by the
14 producers or distributors of domestically-pro-
15 duced renewable fuel;

16 (F) whether Federal agencies have ade-
17 quate legal authority to ensure a fair and rea-
18 sonable transportation price and acceptable lev-
19 els of service in cases in which the domestically-
20 produced renewable fuel source does not have
21 access to competitive rail service;

22 (G) whether Federal agencies have ade-
23 quate legal authority to address railroad service
24 problems that may be resulting in inadequate

1 supplies of domestically-produced renewable fuel
2 in any area of the United States; and

3 (H) any recommendations for any addi-
4 tional legal authorities for Federal agencies to
5 ensure the reliable railroad transportation of
6 adequate supplies of domestically-produced re-
7 newable fuel at reasonable prices.

8 (b) REPORT.—Not later than 180 days after the date
9 of enactment of this Act, the Secretary shall submit to
10 the Committee on Energy and Natural Resources of the
11 Senate and the Committee on Energy and Commerce of
12 the House of Representatives a report that describes the
13 results of the study conducted under subsection (a).

14 **SEC. 107. STANDARD SPECIFICATIONS FOR BIODIESEL.**

15 Section 211 of the Clean Air Act (42 U.S.C. 7545)
16 is amended by redesignating subsection (s) as subsection
17 (t), redesignating subsection (r) (relating to conversion as-
18 sistance for cellulosic biomass, waste-derived ethanol, ap-
19 proved renewable fuels) as subsection (s) and by adding
20 the following new subsection at the end thereof:

21 “(u) STANDARD SPECIFICATIONS FOR BIODIESEL.—
22 Unless the American Society for Testing and Materials
23 has adopted a standard for diesel fuel containing 20 per-
24 cent biodiesel, not later than 1 year after the date of en-
25 actment of this subsection, the Administrator shall initiate

1 a rulemaking establishing a series of uniform per gallon
2 fuel standards for categories of fuels that contain bio-
3 diesel, including one standard for fuel containing 20 per-
4 cent biodiesel, and designate an identification number for
5 fuel meeting each standard in each such category so that
6 vehicle manufacturers are able to design engines to use
7 fuel meeting one or more of such standards. The Adminis-
8 trator shall finalize the standards under this subsection
9 18 months after the date of the enactment of this sub-
10 section.”.

11 **SEC. 108. GRANTS FOR CELLULOSIC ETHANOL PRODUC-**
12 **TION.**

13 Subsection (s) of section 211 of the Clean Air Act
14 (as added by section 1512 of the Energy Policy Act of
15 2005) (and as redesignated by section 107 of this Act),
16 relating to conversion assistance for cellulosic biomass,
17 waste-derived ethanol, and approved renewable fuels, is
18 amended as follows:

19 (1) By adding the following new subparagraphs
20 at the end of paragraph (3):

21 “(D) \$500,000,000 for fiscal year 2009.

22 “(E) \$500,000,000 for fiscal year 2010.”.

23 (2) By adding the following new paragraph at
24 the end thereof:

1 road and non-road engines and vehicles. The Adminis-
2 trator shall take final action on an application for a waiver
3 no later than 270 days after the Administrator receives
4 the application.

5 **SEC. 111. DOMESTIC MANUFACTURING CONVERSION**
6 **GRANT PROGRAM.**

7 Section 712 of the Energy Policy Act of 2005 (42
8 U.S.C. 16062) is amended—

9 (1) in subsection (a)—

10 (A) by inserting “, flexible-fuel,” after
11 “production of efficient hybrid”; and

12 (B) by adding at the end the following:

13 “Priority shall be given to the refurbishment or
14 retooling of manufacturing facilities that have
15 recently ceased operation or will cease operation
16 in the near future.”; and

17 (2) by striking subsection (b) and inserting the
18 following:

19 “(b) **COORDINATION WITH STATE AND LOCAL PRO-**
20 **GRAMS.**—The Secretary may coordinate implementation of
21 this section with State and local programs designed to ac-
22 complish similar goals, including the retention and retrain-
23 ing of skilled workers from the such manufacturing facili-
24 ties, including by establishing matching grant arrange-
25 ments.

1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary such
3 sums as may be necessary to carry out this section.”.

4 **SEC. 112. CELLULOSIC ETHANOL AND BIOFUELS RE-**
5 **SEARCH.**

6 There are authorized to be appropriated to the Sec-
7 retary of Energy \$50,000,000 for fiscal year 2008, to re-
8 main available until expended, for cellulosic ethanol and
9 biofuels research and development grants to 10 entities
10 from among 1890 land grant colleges, Historically Black
11 Colleges or Universities, Tribal serving institutions, or
12 Hispanic serving institutions, selected by the Secretary of
13 Energy to receive a grant under this section through a
14 peer-reviewed competitive process. The selected entities
15 shall then collaborate with one of the Department of Ener-
16 gy’s Office of Science Bioenergy Research Centers.

17 **SEC. 113. FEDERAL FLEET FUELING CENTERS.**

18 (a) IN GENERAL.—Not later than January 1, 2010,
19 the head of each Federal agency shall install at least 1
20 renewable fuel pump at each Federal fleet fueling center
21 in the United States under the jurisdiction of the head
22 of the Federal agency.

23 (b) REPORT.—Not later than October 31 of the first
24 calendar year beginning after the date of the enactment
25 of this Act, and each October 31 thereafter, the President

1 shall submit to Congress a report that describes the
2 progress toward complying with subsection (a), including
3 identifying—

4 (1) the number of Federal fleet fueling centers
5 that contain at least 1 renewable fuel pump; and

6 (2) the number of Federal fleet fueling centers
7 that do not contain any renewable fuel pumps.

8 (c) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as are nec-
10 essary to carry out this section.

11 **SEC. 114. STUDY OF IMPACT OF INCREASED RENEWABLE**
12 **FUEL USE.**

13 (a) IN GENERAL.—The Secretary of Energy shall,
14 after consultation with the Administrator of the Environ-
15 mental Protection Agency, the Administrator of the En-
16 ergy Information Administration, and the Secretary of Ag-
17 riculture, conduct a study to assess the impact of in-
18 creased use of renewable fuels on the United States econ-
19 omy. The Secretary shall enter into an arrangement with
20 the National Academy of Sciences to provide peer review
21 of the study.

22 (b) STUDY ELEMENTS.—The study shall analyze, in
23 terms of renewable fuels, the following:

24 (1) The impact of the use of renewable fuels on
25 the energy security of the United States.

1 (2) The impact of the use of renewable fuels on
2 public health and the environment, including air and
3 water quality.

4 (3) The impact of renewable fuels on the infra-
5 structure of the United States, including the deliver-
6 ability of materials, goods, and products other than
7 alternative fuels.

8 (4) The impact of the use of renewable fuels on
9 job creation, the price and supply of agricultural
10 commodities, and rural economic development.

11 (c) PARTICIPATION.—In conducting the study under
12 this section, the Secretary and other agencies shall seek
13 the participation, and consider the input, of the following:

14 (1) Producers of feed grains.

15 (2) Producers of livestock, poultry, and pork
16 products.

17 (3) Producers of energy.

18 (4) Individuals and entities interested in issues
19 relating to conservation, the environment, and nutri-
20 tion, and users of renewable fuels.

21 (d) REPORT.—The Secretary shall submit a report
22 to the Congress containing the initial results of the study
23 under this section not later than 2 years after enactment
24 of this Act and subsequently supplement and update such
25 report every 3 years thereafter.

1 **SEC. 115. GRANTS FOR RENEWABLE FUEL PRODUCTION RE-**
2 **SEARCH AND DEVELOPMENT IN CERTAIN**
3 **STATES.**

4 (a) IN GENERAL.—The Secretary shall provide
5 grants to eligible entities to conduct research into, and de-
6 velop and implement, renewable fuel production tech-
7 nologies in States with low rates of ethanol production,
8 including low rates of production of cellulosic biomass eth-
9 anol, as determined by the Secretary.

10 (b) ELIGIBILITY.—To be eligible to receive a grant
11 under the section, an entity shall—

12 (1)(A) be an institution of higher education (as
13 defined in section 2 of the Energy Policy Act of
14 2005 (42 U.S.C. 15801)) located in a State de-
15 scribed in subsection (a);

16 (B) be an institution—

17 (i) referred to in section 532 of the Equity
18 in Educational Land-Grant Status Act of 1994
19 (Public Law 103–382; 7 U.S.C. 301 note);

20 (ii) that is eligible for a grant under the
21 Tribally Controlled College or University Assist-
22 ance Act of 1978 (25 U.S.C. 1801 et seq.), in-
23 cluding Dine College; or

24 (iii) that is eligible for a grant under the
25 Navajo Community College Act (25 U.S.C.
26 640a et seq.); or

1 (C) be a consortium of such institutions of
2 higher education, industry, State agencies, Indian
3 tribal agencies, or local government agencies located
4 in the State; and

5 (2) have proven experience and capabilities with
6 relevant technologies.

7 (c) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 \$25,000,000 for each of fiscal years 2008 through 2010.

10 **SEC. 116. STUDY OF EFFECT OF OIL PRICES.**

11 The Secretary of Energy shall conduct a study to re-
12 view the anticipated effects on renewable fuels production
13 if oil were priced no lower than \$40 per barrel. The Sec-
14 retary shall report the findings of such study to Congress
15 by December 31, 2008.

16 **SEC. 117. BIODIESEL AS ALTERNATIVE FUEL FOR CAFE**
17 **PURPOSES.**

18 Section 32901(a) of title 49, United States Code, is
19 amended—

20 (1) in paragraph (1), by redesignating subpara-
21 graphs (J) and (K) as subparagraphs (K) and (L),
22 respectively, and inserting after subparagraph (I)
23 the following:

24 “(J) B20 biodiesel blend;” and

1 (2) by redesignating paragraphs (7) through
2 (16) as paragraphs (9) through (18), respectively,
3 and insert after paragraph (6) the following:

4 “(7) ‘biodiesel’ means the monoalkyl esters of
5 long chain fatty acids derived from plant or animal
6 matter which meet—

7 “(A) the registration requirements for
8 fuels and fuel additives established by the Envi-
9 ronmental Protection Agency under section 211
10 of the Clean Air Act (42 U.S.C. 7545); and

11 “(B) the requirements of the American So-
12 ciety of Testing and Materials D6751.

13 “(8) ‘B20 biodiesel blend’ means a mixture of
14 biodiesel and diesel fuel approximately 20 percent of
15 the content of which is biodiesel, and commonly
16 known as ‘B20’.”.

17 **TITLE II—UNITED STATES-**
18 **ISRAEL ENERGY COOPERATION**

19 **SEC. 201. SHORT TITLE.**

20 This title may be cited as the “United States-Israel
21 Energy Cooperation Act”.

22 **SEC. 202. FINDINGS.**

23 Congress finds that—

1 (1) it is in the highest national security inter-
2 ests of the United States to ensure secure access to
3 reliable energy sources;

4 (2) the United States relies heavily on the for-
5 eign supply of crude oil to meet the energy needs of
6 the United States, currently importing 58 percent of
7 the total oil requirements of the United States, of
8 which 45 percent comes from member states of the
9 Organization of Petroleum Exporting Countries
10 (OPEC);

11 (3) revenues from the sale of oil by some of
12 these countries directly or indirectly provide funding
13 for terrorism and propaganda hostile to the values
14 of the United States and the West;

15 (4) in the past, these countries have manipu-
16 lated the dependence of the United States on the oil
17 supplies of these countries to exert undue influence
18 on United States policy, as during the embargo of
19 OPEC during 1973 on the sale of oil to the United
20 States, which became a major factor in the ensuing
21 recession;

22 (5) research by the Energy Information Admin-
23 istration of the Department of Energy has shown
24 that the dependence of the United States on foreign

1 oil will increase by 33 percent over the next 20
2 years;

3 (6) a rise in the price of imported oil sufficient
4 to increase gasoline prices by 10 cents per gallon at
5 the pump would result in an additional outflow of
6 \$18,000,000,000 from the United States to oil-ex-
7 porting nations;

8 (7) for economic and national security reasons,
9 the United States should reduce, as soon as prac-
10 ticable, the dependence of the United States on na-
11 tions that do not share the interests and values of
12 the United States;

13 (8) the State of Israel has been a steadfast ally
14 and a close friend of the United States since the cre-
15 ation of Israel in 1948;

16 (9) like the United States, Israel is a democracy
17 that holds civil rights and liberties in the highest re-
18 gard and is a proponent of the democratic values of
19 peace, freedom, and justice;

20 (10) cooperation between the United States and
21 Israel on such projects as the development of the
22 Arrow Missile has resulted in mutual benefits to
23 United States and Israeli security;

24 (11) the special relationship between Israel and
25 the United States has been and continues to be

1 manifested in a variety of jointly-funded cooperative
2 programs in the field of scientific research and de-
3 velopment, such as—

4 (A) the United States-Israel Binational
5 Science Foundation (BSF);

6 (B) the Israel-United States Binational
7 Agricultural Research and Development Fund
8 (BARD); and

9 (C) the Israel-United States Binational In-
10 dustrial Research and Development (BIRD)
11 Foundation;

12 (12) these programs, supported by the match-
13 ing contributions from the Government of Israel and
14 the Government of the United States and directed
15 by key scientists and academics from both countries,
16 have made possible many scientific breakthroughs in
17 the fields of life sciences, medicine, bioengineering,
18 agriculture, biotechnology, communications, and oth-
19 ers;

20 (13) on February 1, 1996, United States Sec-
21 retary of Energy Hazel R. O’Leary and Israeli Min-
22 ister of Energy and Infrastructure Gonen Segev
23 signed the Agreement Between the Department of
24 Energy of the United States of America and the
25 Ministry of Energy and Infrastructure of Israel Con-

1 cerning Energy Cooperation, to establish a frame-
2 work for collaboration between the United States
3 and Israel in energy research and development ac-
4 tivities;

5 (14) the United States and Israeli governments
6 should promote cooperation in a broad range of
7 projects designed to enhance supplies of nonpetro-
8 leum energy for both countries, and to provide for
9 cutting edge research in each country;

10 (15) Israeli scientists and researchers have long
11 been at the forefront of research and development in
12 the field of alternative renewable energy sources;

13 (16) many of the top corporations of the world
14 have recognized the technological and scientific ex-
15 pertise of Israel by locating important research and
16 development facilities in Israel;

17 (17) among the technological breakthroughs
18 made by Israeli scientists and researchers in the
19 field of alternative, renewable energy sources are—

20 (A) the development of a cathode that uses
21 hexavalent iron salts that accept 3 electrons per
22 ion and enable rechargeable batteries to provide
23 3 times as much electricity as existing recharge-
24 able batteries;

1 (B) the development of a technique that
2 vastly increases the efficiency of using solar en-
3 ergy to generate hydrogen for use in energy
4 cells; and

5 (C) the development of a novel membrane
6 used in new and powerful direct-oxidant fuel
7 cells that is capable of competing favorably with
8 hydrogen fuel cells and traditional internal com-
9 bustion engines; and

10 (18) cooperation between the United States and
11 Israel in the field of research and development of al-
12 ternative renewable energy sources would be in the
13 interests of both countries, and both countries stand
14 to gain much from such cooperation.

15 **SEC. 203. GRANT PROGRAM.**

16 (a) **AUTHORITY.**—Pursuant to the responsibilities de-
17 scribed in section 102(10), (14), and (17) of the Depart-
18 ment of Energy Organization Act (42 U.S.C. 7112(10),
19 (14), and (17)) and section 103(9) of the Energy Reorga-
20 nization Act of 1974 (42 U.S.C. 5813(9)), the Secretary,
21 in consultation with the BIRD or BSF, shall award grants
22 to eligible entities.

23 (b) **APPLICATION.**—

24 (1) **SUBMISSION OF APPLICATIONS.**—To receive
25 a grant under this section, an eligible entity shall

1 submit an application to the Secretary containing
2 such information and assurances as the Secretary, in
3 consultation with the BIRD or BSF, may require.

4 (2) SELECTION OF ELIGIBLE ENTITIES.—The
5 Secretary, in consultation with the Directors of the
6 BIRD and BSF, may review any application sub-
7 mitted by any eligible entity and select any eligible
8 entity meeting criteria established by the Secretary,
9 in consultation with the Advisory Board, for a grant
10 under this section.

11 (c) AMOUNT OF GRANT.—The amount of each grant
12 awarded for a fiscal year under this section shall be deter-
13 mined by the Secretary, in consultation with the BIRD
14 or BSF.

15 (d) RECOUPMENT.—

16 (1) IN GENERAL.—Not later than 180 days
17 after the date of enactment of this Act, the Sec-
18 retary shall establish procedures and criteria for
19 recoupment in connection with any eligible project
20 carried out by an eligible entity that receives a grant
21 under this section, which has led to the development
22 of a product or process which is marketed or used.

23 (2) AMOUNT REQUIRED.—

24 (A) Except as provided in subparagraph

25 (B), such recoupment shall be required as a

1 condition for award and be proportional to the
2 Federal share of the costs of such project, and
3 shall be derived from the proceeds of royalties
4 or licensing fees received in connection with
5 such product or process.

6 (B) In the case where a product or process
7 is used by the recipient of a grant under this
8 section for the production and sale of its own
9 products or processes, the recoupment shall
10 consist of a payment equivalent to the payment
11 which would be made under subparagraph (A).

12 (3) WAIVER.—The Secretary may at any time
13 waive or defer all or some of the recoupment re-
14 quirements of this subsection as necessary, depend-
15 ing on—

16 (A) the commercial competitiveness of the
17 entity or entities developing or using the prod-
18 uct or process;

19 (B) the profitability of the project; and

20 (C) the commercial viability of the product
21 or process utilized.

22 (e) PRIVATE FUNDS.—The Secretary may accept
23 contributions of funds from private sources to carry out
24 this title.

1 (f) OFFICE OF ENERGY EFFICIENCY AND RENEW-
2 ABLE ENERGY.—The Secretary shall carry out this sec-
3 tion through the existing programs at the Office of Energy
4 Efficiency and Renewable Energy.

5 (g) REPORT.—Not later than 180 days after receiv-
6 ing a grant under this section, each recipient shall submit
7 a report to the Secretary—

8 (1) documenting how the recipient used the
9 grant funds; and

10 (2) evaluating the level of success of each
11 project funded by the grant.

12 **SEC. 204. INTERNATIONAL ENERGY ADVISORY BOARD.**

13 (a) ESTABLISHMENT.—There is established in the
14 Department of Energy an International Energy Advisory
15 Board.

16 (b) DUTIES.—The Advisory Board shall advise the
17 Secretary on—

18 (1) criteria for the recipients of grants awarded
19 under section 203(a);

20 (2) the total amount of grant money to be
21 awarded to all grantees selected by the Secretary, in
22 consultation with the BIRD; and

23 (3) the total amount of grant money to be
24 awarded to all grantees selected by the Secretary, in
25 consultation with the BSF, for each fiscal year.

1 (c) MEMBERSHIP.—

2 (1) COMPOSITION.—The Advisory Board shall
3 be composed of—

4 (A) 1 member appointed by the Secretary
5 of Commerce;

6 (B) 1 member appointed by the Secretary
7 of Energy; and

8 (C) 2 members who shall be Israeli citi-
9 zens, appointed by the Secretary of Energy
10 after consultation with appropriate officials in
11 the Israeli Government.

12 (2) DEADLINE FOR APPOINTMENTS.—The ini-
13 tial appointments under paragraph (1) shall be
14 made not later than 60 days after the date of enact-
15 ment of this Act.

16 (3) TERM.—Each member of the Advisory
17 Board shall be appointed for a term of 4 years.

18 (4) VACANCIES.—A vacancy on the Advisory
19 Board shall be filled in the manner in which the
20 original appointment was made.

21 (5) BASIC PAY.—

22 (A) COMPENSATION.—A member of the
23 Advisory Board shall serve without pay.

24 (B) TRAVEL EXPENSES.—Each member of
25 the Advisory Board shall receive travel ex-

1 penses, including per diem in lieu of subsist-
2 ence, in accordance with applicable provisions of
3 subchapter I of chapter 57 of title 5, United
4 States Code.

5 (6) QUORUM.—Three members of the Advisory
6 Board shall constitute a quorum.

7 (7) CHAIRPERSON.—The Chairperson of the
8 Advisory Board shall be designated by the Secretary
9 of Energy at the time of the appointment.

10 (8) MEETINGS.—The Advisory Board shall
11 meet at least once annually at the call of the Chair-
12 person.

13 (d) TERMINATION.—Section 14(a)(2)(B) of the Fed-
14 eral Advisory Committee Act (5 U.S.C. App.) shall not
15 apply to the Advisory Board.

16 **SEC. 205. DEFINITIONS.**

17 In this title:

18 (1) ADVISORY BOARD.—The term “Advisory
19 Board” means the International Energy Advisory
20 Board established by section 204(a).

21 (2) BIRD.—The term “BIRD” means the
22 Israel-United States Binational Industrial Research
23 and Development Foundation.

24 (3) BSF.—The term “BSF” means the United
25 States-Israel Binational Science Foundation.

1 (4) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means a joint venture comprised of both Israeli
3 and United States private business entities or a joint
4 venture comprised of both Israeli academic persons
5 (who reside and work in Israel) and United States
6 academic persons, that—

7 (A) carries out an eligible project; and

8 (B) is selected by the Secretary, in con-
9 sultation with the BIRD or BSF, using the cri-
10 teria established by the Secretary, in consulta-
11 tion with the Advisory Board.

12 (5) ELIGIBLE PROJECT.—The term “eligible
13 project” means a project to encourage cooperation
14 between the United States and Israel on research,
15 development, or commercialization of alternative en-
16 ergy, improved energy efficiency, or renewable en-
17 ergy sources.

18 (6) SECRETARY.—The term “Secretary” means
19 the Secretary of Energy, acting through the Assist-
20 ant Secretary of Energy for Energy Efficiency and
21 Renewable Energy.

22 **SEC. 206. TERMINATION.**

23 The grant program authorized under section 203 and
24 the Advisory Board shall terminate upon the expiration

1 of the 7-year period which begins on the date of the enact-
2 ment of this Act.

3 **SEC. 207. AUTHORIZATION OF APPROPRIATIONS.**

4 The Secretary is authorized to expend not more than
5 \$20,000,000 to carry out this title for each of fiscal years
6 2008 through 2014 from funds previously authorized to
7 the Office of Energy Efficiency and Renewable Energy.

8 **SEC. 208. CONSTITUTIONAL AUTHORITY.**

9 The Constitutional authority on which this title rests
10 is the power of Congress to regulate commerce with for-
11 eign nations as enumerated in article I, section 8 of the
12 United States Constitution.

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