

ATTACHMENT 3

Federal Air Quality Bills – 108th Congress in the United States

**Last updated on April 2, 2004*

Clear Skies Act of 2003

H.R. 999 by Rep. Joe Barton (R-TX)

- A bill to amend the Clean Air Act to reduce air pollution through expansion of cap and trade programs, to provide an alternative regulatory classification for units subject to the cap and trade program

2/27/03 Update: Introduced and Referred to the House Committee on Energy and Commerce.

3/17/2003 Update: Referred to the Subcommittee on Energy and Air Quality

6/3/03 Update: None

7/15/03 Update: The House Energy and Commerce Committee held its first hearing on the Clear Skies Act on July 8. Rep. Barton expressed concerns about the mercury caps, reflecting industry concerns that the caps are too strict. Committee Chairman Billy Tauzin did not make a commitment to moving the bill through the Committee this year. Generally, Republicans expressed support for Clear Skies, while Democrats, led by Ranking Democrat John Dingell (MI) opposed the bill. Rep. Barton, who is Chairman of the Energy and Air Quality Subcommittee, indicated there would be more hearings this year.

9/09/03 Update: The White House has reportedly asked Congress to consider including Clear Skies legislation in the comprehensive energy bill. However, key Members of Congress on the Energy Committees have said they do not want to consider putting Clear Skies in the energy bill.

10/06/03 Update: The Congressional leadership and key members of the conference committee considering the comprehensive energy bill have reportedly declined to include Clear Skies in the energy bill. Observers believe it is unlikely that Congress will pass Clear Skies this year.

11/06/03 Update: None.

12/02/03 Update: None

01/07/04 Update: None

02/05/04 Update: EPA published the Utility Mercury Reductions Rule and the Interstate Air Quality Rule Jan. 30, opening a 60-day comment period on both. The proposed rules would implement portions of Clear Skies by initiating a mercury cap and trade program and a trading program for nitrogen oxides and sulfur dioxide.

03/05/04 Update: The EPA held public hearings to receive comments on the proposed Utility Mercury Reductions Rule and the Interstate Air Quality Rule, which closely track the Senate Clear Skies bill. See Senate Clear Skies update below.

04/02/04 Update: The EPA continues to accept comments and

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hold hearings on the rules.

S. 485 by Senator Jim Inhofe (R-OK)

- Same as H.R. 999

4/8/03 Update: Environmental Protection Agency Administrator Christine Todd Whitman called on the Senate Environment and Public Works EPW Committee April 8 to favorably report legislation.

5/6/03 Update: Senate EPW Committee holding hearings on S. 485.

6/3/03 Update: Hearings being held by Senate EPW Committee

6/5/03 Update: Hearings held by the Committee on Environment and Public Works in the Subcommittee on Clean Air, Climate Change and Nuclear Safety.

7/15/03 Update: EPW full Committee Chairman Inhofe and Subcommittee Chairman George Voinovich (R-OH) are considering weakening the Clear Skies mercury caps to reflect the likely mercury “co-benefit” from equipment installed to meet caps on sulfur dioxide and nitrous oxide emissions. The proposals would make the required mercury reductions consistent with such incidental reductions of mercury, but not stricter, as they currently appear to be under Clear Skies.

8/05/03 Update: Chairman Inhofe held a hearing on climate change to dispute conventional theories that climate change is caused by human activity and to highlight uncertainties in climate change science. Inhofe said he hoped to use the hearing to keep climate change language out of the “Clear Skies” bill.

9/09/03 Update: The White House has reportedly asked Congress to consider including Clear Skies legislation in the comprehensive energy bill. However, key Members of Congress on the Energy Committees have said they do not want to consider putting Clear Skies in the energy bill.

10/06/03 Update: The Congressional leadership and key members of the conference committee considering the comprehensive energy bill have reportedly declined to include Clear Skies in the energy bill. Observers believe it is unlikely that Congress will pass Clear Skies this year, although the Senate EPW Committee might markup the bill.

11/06/03 Update: None

12/02/03 Update: Chairman Inhofe on November 11 announced that he was easing the mercury requirements in his Clear Skies bill, S. 485 while Clean Air subcommittee Chairman Voinovich announced that further consideration of the bill will be moved back to 2004.

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While Congress has taken not further action on Clear Skies, EPA Administrator Michael Leavitt announced plans to pursue a 500-day regulatory agenda that could implement some of Clear Skies' provisions on mercury and ozone.

EPA aims to allow trading of mercury credits among the nation's coal- and oil-fired power plants in a manner similar to how it has implemented its highly successful acid rain program. The proposed mercury caps, set at 34 tons in 2010 and 15 tons in 2018, are the same as the modified version of Clear Skies proposed by Inhofe.

EPA reportedly would also like to propose a new trading program for nitrogen oxides and sulfur dioxide. According to published reports, the particulate matter transport rule is aimed at helping states and localities come into compliance with the soon-to-be implemented fine particulate matter rule that the Clinton administration completed in 1997 and the Supreme Court upheld in 2001. The trading program is scheduled for completion in mid-2005 and would likely include caps similar to what is currently in the Clear Skies legislation: for nitrogen oxides, 2.1 million tons by 2010 and 1.7 million tons by 2018 and for sulfur dioxide, 4.5 million tons by 2010 and 3 million tons by 2018.

01/07/04 Update: None

02/05/04 Update: EPA published the Utility Mercury Reductions Rule and the Interstate Air Quality Rule Jan. 30, opening a 60-day comment period on both. The proposed rules would implement portions of Clear Skies by initiating a mercury cap and trade program as well as a trading program for nitrogen oxides and sulfur dioxide.

03/05/04 Update: On February 25 and 26, the EPA held public hearings on the Utility Mercury Reductions Rule and the Interstate Air Quality Rule in Chicago, Philadelphia, and Raleigh-Durham. Environmental groups, state and local environmental officials, private citizens, and electric industry representatives attended the meetings. The EPA's preferred alternative for mercury, a cap and trade program, drew heavy criticism.

The EPA has also been criticized for including language from papers submitted by industry representatives in both proposed rules.

In late February the EPA issued a supplemental mercury proposal that seeks comment on numerous technical items,

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	<p>including the allocation system EPA would prefer to establish for dividing up mercury credits among utility companies under the cap and trade program. Public comment on the proposed Mercury and Interstate Air Quality rules are scheduled to end March 30, but the deadline might be extended to receive additional comments on the supplemental mercury rule.</p> <p>04/02/04 Update: The EPA continues to accept comment and hold public hearings on the Mercury and Interstate Air Quality rules. On April 1, the Senate Subcommittee on Clean Air, Climate Change and Nuclear Safety held a hearing on the implementation of the new National Ambient Air Quality Standards for fine particle and 8-hour ground level ozone pollution (EPA is required to tell local areas that their air quality did not meet ozone standards by April 15 and address non-attainment areas for fine particle standards later in the year). EPA Administrator Leavitt defended the Interstate Air Quality rule as an attempt to give local governments the tools to reach attainment with the new 8-hour ozone and 2.5 particulate matter rules.</p> <p>Sen. Jim Jeffords (I-VT) criticized Clear Skies and the proposed EPA rules for being weaker than existing law. Sen. Hilary Clinton (D-NY) expressed concern that the proposed mercury cap and trade proposal would lead to “hotspots” of mercury concentration in particular areas. Jeffords and Clinton criticized Clear Skies and the proposed Mercury rule for allegedly weak reduction requirements.</p> <p>Subcommittee Chairman George Voinovich (R-OH) defended Clear Skies. Voinovich and Leavitt expressed a preference for a legislative version of Clear Skies, but Leavitt said a regulatory approach would be necessary if the Congress does not act to pass Clear Skies. Sen. Tom Carper (D-DE) promoted his centrist clean air approach, the Clean Air Planning Act (S. 843), which covers carbon dioxide, and has more stringent requirements than Clear Skies, but is not as strict as Sen. Jeffords’ Clean Power Act.</p>
Global Climate Security Act of 2003	<p>S. 17 by Senator Thomas Daschle (D-SD)</p> <ul style="list-style-type: none">• A bill to initiate responsible actions that will reduce the risks from global warming and climate change to the economy, the environment, and quality of life <p>1/7/03 Update: Introductory Remarks, Referred to the Committee on Environment and Public Works</p> <p>05/06/03 Update: None</p> <p>06/03/03 Update: None</p>

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	07/15/03 Update: None 08/05/03 Update: None 09/09/03 Update: None 10/06/03 Update: None 11/06/03 Update: None 12/02/03 Update: None 01/07/04 Update: None 02/05/04 Update: None 03/05/04 Update: None 04/02/04 Update: None
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Global Warming Bill (Climate Stewardship Act of 2003)	<p>S. 139 by Senators Joseph Lieberman/John McCain</p> <ul style="list-style-type: none">• Provides for a program of scientific research on abrupt climate change, to accelerate the reduction of greenhouse gas emissions in the United States by establishing a market-driven system of greenhouse gas tradable allowances that could be used interchangeably with passenger vehicle fuel economy standard credits, to limit greenhouse gas emissions.• Program to be run by EPA, Commerce, DOE, Agriculture<ul style="list-style-type: none">- Housed in Commerce- Mandatory reporting; allows project reporting- EPA would be responsible for ensuring entities report and comply.- Would use serial numbers to identify and track reductions.- Reductions registered under 1605(b) program would get credits.- Implementing regulations would be issued by EPA and Commerce- EPA may require reporting of indirect emissions- Allows offsets through sequestration or purchases of allowances created by sequestration.- EPA would be required to issue a report on the total emissions and reductions; entity and sector analyses, comparison of current and past atmospheric concentrations of GHGs. <p>05/06/03 Update: Bill was referred to the Senate Environment and Public Works Committee (EPW). No hearings held in EPW.</p> <p>06/03/03 Update: None</p> <p>07/15/03 Update: McCain and Lieberman are planning to offer the bill as an amendment to the Senate Energy bill, S. 14.</p> <p>08/05/03 Update: S. 14 was pulled from the Senate floor before McCain and Lieberman could offer their GHG cap, S. 139. McCain and Lieberman won a promise from Majority Leader Bill Frist to schedule a vote on the McCain-Lieberman bill in the fall.</p> <p>09/09/03 Update: Energy bill conference began on Sept. 5. See Energy Bills update on comprehensive energy legislation.</p> <p>10/06/03 Update: The Senate Commerce Committee, chaired by Sen. McCain, held a hearing on 10/01 to highlight</p>
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	<p>the need to address climate change.</p> <p>Sens. McCain and Lieberman have eased S. 139's emissions caps. They eliminated a second round of reductions that would have been required by 2016 under the bill's original language. McCain and Lieberman hope the change will help win additional votes and plan to offer S. 139 for a vote on the Senate floor in October.</p> <p>11/06/03 Update: The McCain-Lieberman cap and trade bill was defeated on the Senate floor by a margin of 43 to 55. Sens. Feinstein (who cosponsored S. 139) and Boxer both voted for the measure. McCain and Lieberman offered the bill as a substitute amendment for the original S. 139. The substitute amendment would have eliminated a second round of GHG reductions that would have been required under the original version of S. 139.</p> <p>Sens. McCain and Lieberman stated they would bring the bill up again next year.</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/04/04 Update: None</p> <p>03/05/04 Update: Sens. McCain and Lieberman stated on February 3 that they would attempt to gain another vote by the full Senate on S. 139 this year by offering it as an amendment to a larger bill.</p> <p>04/02/04 Update: None</p> <p>H.R. _____</p> <p>04/02/04 Update: On March 30, Reps. John Olver (D-MA) and Wayne Gilchrest (R-MD), with 18 cosponsors in the House, introduced a climate change bill, as a companion bill to S. 139. California Democratic Reps. Henry Waxman, Hilda Solis, and Zoe Lofgren are among cosponsors. The bill is highly unlikely to pass in the House.</p>
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Biofuels Air Quality Act	<p>H.R. 318 by Rep. John Shimkus (R-IL)</p> <ul style="list-style-type: none">• A bill to amend Title 23, United States Code, to require consideration under the congestion mitigation and air quality (CMAQ) improvement program of the extent to which a proposed program reduces sulfur or atmospheric carbon emissions, to make renewable fuel projects eligible under that program. <p>1/8/03 Update: Referred to the House Committee on Transportation and Infrastructure</p> <p>1/9/03 Update: Referred to the Subcommittee on Highways and Transits</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/05/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: On November 20, House Transportation and Infrastructure Committee Chairman Don Young (R-AK), introduced a bill (H.R. 3550) to reauthorize the Transportation Equity Act for the 21st Century (TEA-21). H.R. 3550, entitled “The Transportation Equity Act: A Legacy for Users,” could serve as a vehicle for any changes to the CMAQ program.</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: The House transportation bill (TEALU) does not yet include environmental provisions. However, the Senate passed a six-year surface transportation reauthorization bill (S. 1072) on February 12 by a margin of 76 to 21. The Senate bill, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA) would expand CMAQ eligibility to include the purchase of alternative fuel and biodiesel.</p> <p>SAFETEA would also allow CMAQ funds to be available for non-construction pedestrian safety programs. The bill would add fine particulate matter and 8-hour ozone areas to the CMAQ formula. SAFETEA would also require the Secretary of Transportation to encourage (not mandate) states and metropolitan planning organizations to consult with State and local air quality agencies on the estimated emissions reductions from CMAQ projects.</p> <p>04/02/04 Update: The House today passed a new six-year version of H.R. 3550 (TEALU) by a vote of 357 to 65, nine</p>
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	<p>days after the House Transportation and Infrastructure Committee approved the bill on March 24. While the Committee originally estimated the bill's cost at \$275 billion, observers now claim the bill would cost \$284 billion. H.R. 3550 originally authorized \$375 billion. Committee Chairman Don Young and Ranking Member James Oberstar (D-MN), however, introduced a substitute to the bill that included the \$275 billion funding level negotiated by Speaker of the House Dennis Hastert (R-IL) and the Administration.</p> <p>Unlike the Senate bill, SAFETEA, TEALU does not include language that would allow use of CMAQ funds for alternative fuel and biodiesel purchases. However, TEALU would expand the definition of CMAQ to allow funds to be used to "improve transportation systems management and operations."</p> <p>The House and Senate will convene a conference to resolve differences between TEALU and the Senate bill, SAFETEA. The Administration has threatened to veto the bill, preferring a funding level of \$256 billion.</p>
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Environmental Streamlining	<p>04/02/04 Update: The transportation reauthorization bills include environmental streamlining provisions.</p> <p>Senate: SAFETEA (S. 1072) passed by the Senate Feb. 12. SAFETEA would reduce the frequency of conformity determinations to once every four years. Conformity determinations would be based on the first 10 years of a 20-year transportation plan, rather than the full 20 years. Environmentalists are concerned this would allow projects to avoid consideration of long-term impacts. TEALU would also require transportation planning agencies to consult with other local planning agencies responsible for land use management, natural resources, environmental protection, conservation and historic preservation.</p> <p>SAFETEA would require transportation agencies, when developing long-range transportation plans, to consult with state and local agencies responsible for land use management, natural resources, environmental protection, conservation and historic preservation.</p> <p>House: TEALU (H.R. 3550) passed by the House April 2. Information on the newly passed TEALU is still being obtained. Based on the version passed by the Transportation and Infrastructure Committee, TEALU would reduce the frequency of conformity determinations to once every four years. It would not change the length of time considered in the conformity determination. In non-attainment areas for ozone or carbon monoxide, metropolitan planning organizations (MPOs) would be required to coordinate the transportation plan with the process for developing transportation control measures of the State Implementation Plan required by the Clean Air Act.</p> <p>TEALU would impose a 90-day statute of limitations on lawsuits challenging a permit, license or approval by a federal agency for a highway or transit project. TEALU would also require transportation planning agencies to consult with other local planning agencies responsible for land use management, natural resources, environmental protection, conservation and historic preservation.</p>
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Goods Movement Legislation	<p>02/05/04 Update: Rep. Juanita Millender-McDonald on October 29, 2003 introduced The Goods Movement Act of 2003 (H.R. 3398). The bill would establish a goods movement program to improve the productivity, security, and safety of freight transportation gateways, while mitigating congestion and community impacts in the area of such gateways. It would provide grants to State and local governments to address infrastructure and freight operational needs at freight transportation corridors and gateways.</p> <p>On October 30, 2003, the bill was referred to the Subcommittee on Highways, Transit and Pipelines, in the House Transportation and Infrastructure Committee. The subcommittee has not held hearings or otherwise taken any formal action on the bill.</p> <p>The fate of the bill is uncertain at this time. In the past, several legislative proposals have been introduced at the federal level to implement the concept of supporting communities in which transportation infrastructure is stressed because such areas handle a disproportionate share of international and domestic trade in goods. Rep. Millender-McDonald is particularly interested in goods movement because the Los Angeles metropolitan area's transportation infrastructure and air quality are damaged by the large amount of goods coming from the Ports of Los Angeles and Long Beach, which contribute greatly to the nation's economy.</p> <p>Supporters of the goods movement concept, however, have not been successful in previous attempts at passing such legislation.</p> <p>03/05/04 Update: Portions of the Goods Movement bill, H.R. 3398 have been included in the House transportation reauthorization bill, H.R. 3550, entitled "The Transportation Equity Act: A Legacy for Users (TEALU). The language is included in a section of TEALU that would establish a program for "Projects of Regional and National Significance." TEALU would not, however establish a specific "goods movement" program specifically to fund intermodal freight infrastructure projects.</p> <p>The Projects of National and Regional Significance program would provide grants to projects which create benefits such as economic growth, safety improvements, or congestion reduction at a national or regional level. TEALU would authorize \$2.9 billion for FY 2004 through FY 2007, and \$3</p>
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	<p>billion for FY 2008 and FY 2009 for the program. The grants would go to major projects, those for which the cost is anticipated to equal or exceed the lesser of \$500 million or 75 percent of the amount of Federal highway assistance funds apportioned for most recent fiscal year to the State in which the project is located.</p> <p>TEALU has not yet been approved by the House Transportation and Infrastructure Committee, as Committee members are attempting to find an acceptable level of funding for the bill. Leaders in the House are deciding on a strategy for moving TEALU or another transportation bill.</p> <p>04/02/04 Update: The House today passed TEALU by a margin of 357 to 65, nine days after the Transportation and Infrastructure Committee approved the bill on March 24. Final language in the House bill is being distributed and assessed at the time of this update. As passed by the Committee, TEALU includes language authorizing a Projects of Regional and National Significance program. In the version of the bill passed by the Committee, the program would receive \$6.6 billion over 6 years, starting with \$600 million in FY04, and then \$1.1 to \$1.3 billion from FY05 through FY09.</p> <p>The House and Senate will convene a conference to resolve differences between TEALU and the Senate bill, SAFETEA. The Administration has threatened to veto the bill because it considers the overall funding level too high.</p>
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<p>Clean Air Act – Amendment</p>	<p>H.R. 244 by Rep. Darrell Issa (D-CA)</p> <ul style="list-style-type: none"> Amends the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gas in certain areas within the State. <p>1/8/03 Update: Referred to the House Committee on Energy and Commerce</p> <p>2/3/03 Update: Referred to the Subcommittee on Energy and Air Quality</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/05/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>
<p>National Greenhouse Gas Emissions Inventory and Registry Act of 2003</p>	<p>S. 194 by Senator Jon Corzine (D-NJ)</p> <ul style="list-style-type: none"> A bill to amend the Clean Air Act to establish an inventory, registry, and information system of United States greenhouse gas emissions to inform the public and private sector concerning, and encourage voluntary reduction in, greenhouse gas emissions. <p>1/17/03 Update: Referred to the Committee on Environment and Public Works</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/05/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>

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Clean Power Act of 2003	<p>S. 366 by Senator James Jeffords (D-VT)</p> <ul style="list-style-type: none"> • A bill to amend the Clean Air Act to reduce emissions from electric power plants <p>2/12/03 Update: Referred to the Committee on Environment and Public Works</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/15/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>
Distributed Power Hybrid Energy Act	<p>H.R. 1041 by Rep. Mark Udall (D-CO)</p> <ul style="list-style-type: none"> • A bill to direct the Secretary of Energy to develop and implement a strategy for research, development, demonstration, and commercial application of distributed power hybrid energy systems. <p>2/27/03 Update: Referred to the House Committee on Science</p> <p>3/7/03 Update: Referred to the Subcommittee on Energy</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/15/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>

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<p>Southern Border Air Quality Protection Act</p>	<p>H.R. 287 by Rep. Duncan Hunter (R-CA)</p> <ul style="list-style-type: none"> A bill to prohibit the exportation of natural gas from the United States to Mexico for use in electric energy generation units near the United States border that do not comply with air quality control requirements that provide air quality protection that is at least equivalent to the protection provided by requirements applicable in the United States. <p>1/8/03 Update: Referred to the House Committee on International Relations</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/15/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p> <p>S. 107 by Senator Dianne Feinstein (D-CA)</p> <ul style="list-style-type: none"> Same as H.R. 287 <p>1/9/03 Update: Referred to the Committee on Banking, Housing and Urban Affairs</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/15/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>
<p>Clean Efficient Automobiles Resulting From Advanced Car Technologies (CLEAR ACT) of 2003 (Tax Credits)</p>	<p>H.R. 1054 by Rep. Dave Camp (R-MI)</p> <ul style="list-style-type: none"> A bill (containing CLEAR Act provisions) to amend the Internal Revenue Code of 1986 to encourage and accelerate the nationwide production, retail sale, and consumer use of new motor vehicles that are powered by fuel cell technology, hybrid technology, battery electric

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	<p>technology, alternative fuels, or other advanced motor vehicle technologies.</p> <p>3/24/03 Update: Referred to the House Committee on Ways and Means</p> <p>5/6/03 Update: Provisions of H.R. 1054, included in the comprehensive Energy bill, H.R. 6, passed by the House on April 11. Credits for hybrid vehicles were not included.</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/15/03 Update: The House is awaiting conference with the Senate to reconcile the House and Senate comprehensive energy bills.</p> <p>9/09/03 Update: Energy bill conference began Sept. 5. See Energy Bills update on comprehensive energy legislation.</p> <p>10/06/03 Update: Members of the conference committee on the energy bill have not yet reached agreement on tax provisions, including the CLEAR Act. Some version of the CLEAR Act is expected to survive the conference, assuming the conferees are successful in producing a final energy bill.</p> <p>11/06/03 Update: Conferees are currently meeting to discuss tax incentives in the energy bill, including the CLEAR Act. Sen. Grassley is reportedly pushing to include the majority of the CLEAR Act incentives, while Rep. Thomas would like to include the more limited incentives from the House energy bill.</p> <p>12/02/03 Update: See below for a summary of CLEAR Act provisions in the energy bill conference report.</p> <p>01/07/04 Update: Congress will reconvene on January 20. The conference report on the energy bill is pending in the Senate.</p> <p>02/05/04 Update: The conference report (H. Rept. 108-375) on the comprehensive energy bill is pending in the Senate. The bill's primary drafter, Sen. Pete Domenici, has prepared a plan to make changes to the tax incentives to facilitate passage of the conference report. These changes could affect the CLEAR Act.</p> <p>Domenici is likely to cut the cost of the bill, either by adding "sunset" provisions which would cause tax credits to expire on a certain date, or by reducing the amount of the tax credits across all energy industry sectors. See update on comprehensive energy bill for the status of the conference report.</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: The conference report on the comprehensive energy report is pending in the Senate, along with a newer Senate energy bill (S. 2095) which includes the Senate version of the CLEAR Act. Neither bill is expected to pass Congress this year. However, CLEAR Act provisions might still be moved as part of separate energy tax incentive legislation.</p>
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S. 505 by Senator Orrin Hatch (R-UT)

- Same as H.R. 1054 (CLEAR Act)

3/4/03 Update: Referred to the Committee on Finance

5/6/03 Update: Provisions of S. 505 have been included in the Energy Tax Incentive bill (S. 597) passed by the Senate Finance Committee. S. 597 is not yet part of S. 14, a comprehensive Energy bill which will be considered on the Senate floor.

06/03/03 Update: See Energy Bills.

07/15/03 Update: See Energy Bills.

08/05/03 Update: The Senate dropped consideration of S. 14 and passed last year's comprehensive Energy bill, S. 517, which included the CLEAR Act. See Energy Bills for update on Senate comprehensive Energy bill.

9/09/03 Update: Energy bill conference began Sept. 5. See Energy Bills update on comprehensive energy legislation.

10/06/03 Update: Members of the conference committee on the energy bill have not yet reached agreement on tax provisions, including the CLEAR Act. Some version of the CLEAR Act is expected to survive the conference, assuming the conferees are successful in producing a final energy bill.

11/06/03 Update: Conferees are currently meeting to discuss tax incentives in the energy bill, including the CLEAR Act. Sen. Grassley is reportedly pushing to include the majority of the CLEAR Act incentives, while Rep. Thomas would like to include the more limited incentives from the House energy bill.

12/02/03 Update: CLEAR Act incentives were included in conference report for H.R. 6, the energy bill, which was passed by the House on November 18, and which the Senate expects to take up in January (see energy bill update).

The conference report (H. Rept. 108-375) includes the following CLEAR Act Incentives:

- Tax credits for fuel cell vehicles, advanced lean burn technology vehicles, hybrids, and alternative fuel vehicles.
- The tax deduction for alternative fuel infrastructure would be extended, but reduced from \$100 thousand to \$50 thousand.

However, the conference report did not include:

- The proposed tax credit for infrastructure, although this provision might be included in the transportation reauthorization bill or other legislation next year.
- Did not include a tax credit for the retail sale of alternative fuel.

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01/07/04 Update: Congress will reconvene on January 20. The conference report on the energy bill is pending in the Senate.

02/05/04 Update: The conference report (H. Rept. 108-375) on the comprehensive energy bill is pending in the Senate. The bill's primary drafter, Sen. Pete Domenici, has prepared a plan to make changes to the tax incentives to facilitate passage of the conference report. These changes could affect the CLEAR Act.

Domenici is likely cut the cost of the bill, either by adding "sunset" provisions which would cause tax credits to expire on a certain date, or by reducing the amount of the tax credits across all energy industry sectors. See update on comprehensive energy bill for the status of the conference report.

03/05/04 Update: The conference report on the Energy Policy Act of 2003 is still being filibustered in the Senate. Sen. Domenici on February 12 introduced a new, less expensive version of the energy bill (S. 2095). The tax credits in S. 2095 are based largely on the energy tax bill are based largely on the energy tax incentive bill passed by the Senate Finance Committee in June 2003.

While overall tax credits for other items were reduced in S. 2095, the bill would add an alternative fuel infrastructure tax credit, a retail tax credit for alternative fuels, and an electric vehicle tax credit. These incentives were part of the CLEAR Act, but were not included in the conference report on the comprehensive energy bill.

04/02/04 Update: Supporters of S. 2095 are attempting to bring it to the floor for a vote by the full Senate. Prospects now appear dim for passage of either S. 2095 or the conference report on H.R. 6, which was passed by the House but has not been voted on by the Senate.

It is possible that the CLEAR Act would be moved as part of a tax package that is either introduced as a new, separate bill, or added as an amendment to legislation that is expected to become law.

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Fuels Security Act of 2003

H.R. 837 by Rep. Collin Peterson (D-MN)

- A bill to amend the Clean Air Act to eliminate methyl tertiary butyl ether from the United States fuel supply, to increase production and use of renewable fuel, and to increase the Nation's energy independence.
- Would crease a nationwide standard that would more than double the use of renewable fuels over the next 10 years (biodiesel is an eligible fuel to meet the goal).

2/13/03 Update: Referred to the House Committee on Energy and Commerce

3/10/03 Update: Referred to the Subcommittee on Energy and Air Quality

6/3/03 Update: None

7/15/03 Update: None

8/15/03 Update: None

9/09/03 Update: None

10/06/03 Update: None

11/06/03 Update: None

12/02/03 Update: None

01/07/04 Update: None

02/05/04 Update: None

03/05/04 Update: None

04/02/04 Update: None

S. 385 by Senator Thomas Daschle (D-SD)

- Same as H.R. 837

2/13/03 Update: Referred to the Committee on Environment and Public Works

3/20/03 Update: Hearings held by the Committee on Environment and Public Works Subcommittee on Clean Air, Climate Change, and Nuclear Safety.

5/6/03 Update: None

6/03/03 Update: Provisions included in S. 791, which has been brought to the Senate floor as a proposed amendment to the comprehensive Senate Energy bill.

7/03/03 Update: Provisions of this bill were passed by the Senate as an amendment to the comprehensive Senate Energy bill S. 14, which is still pending on the Senate floor.

8/05/03 Update: The comprehensive Senate Energy bill, S. 14, was pulled from the Senate floor and the Senate instead passed last year's Senate Energy bill, S. 517. S. 517 include a Renewable Fuels Standard. See Energy Bills.

9/09/03 Update: Energy bill conference began Sept. 5. See Energy Bills for update on comprehensive energy legislation.

10/06/03 Update: Members of the conference committee on the

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energy bill have yet to reach an agreement on ethanol language. Senate Minority Leader Daschle, (who is not a member of the conference committee but is influencing discussions) is seeking to ban production of MTBE, while key Republicans oppose the ban and are attempting to include liability protection for MTBE producers.

11/06/03 Update: Conferees are meeting to discuss renewable fuel provisions. Senate conferees are pushing to change the House position, which would allow states to opt out of the renewable fuels purchase requirements.

12/02/03 Update: The House passed the conference report to H.R. 6 on November 18, but the conference report was not voted on in the Senate after Majority Leader Frist failed to end a filibuster caused largely by disagreements over liability protection for MTBE manufacturers.

The conference report's ethanol section includes a waiver process that would allow states to avoid the ethanol requirement by showing it would severely harm the environment or economy of the state, or by showing there is an inadequate supply of ethanol available domestically.

The ethanol section also includes language stating that the bill is not intended to affect or prejudice existing legal claims against the EPA regarding motor vehicle emissions.

01/07/04 Update: Congress will reconvene on January 20. The conference report on the energy bill is pending in the Senate.

02/05/04 Update: The energy bill conference report is pending in the Senate. Bill supporters in the Senate have decided to remove MTBE liability protection to facilitate passage of the conference report. However, House Majority Leader Tom DeLay is currently insisting that the conference report include MTBE liability protection. See report on the comprehensive energy bill.

03/05/04 Update: The conference report on the Energy Policy Act of 2003 is still being filibustered in the Senate. Sen. Domenici on February 12 introduced a new version of the energy bill (S. 2095) with the same ethanol production language, but without liability protection for MTBE.

04/02/04 Update: Domenici and supporters of S. 2095 are attempting to bring the bill to the Senate floor for a vote. Prospects now appear dim for passage of either S. 2095 or the conference report on last year's comprehensive energy bill (H.R. 6). However, the renewable fuel standard could be added to

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	<p>another bill, if neither of the comprehensive energy bills is passed.</p>
Energy Bills	<p>S. 597 by Senator Charles Grassley (R-IA)</p> <ul style="list-style-type: none"> • Energy Tax Incentives Act. Would amend the Internal Revenue Code of 1986 to provide energy tax incentives. Includes the CLEAR ACT. <p>4/2/03 Update: Approved by the Finance Committee and combined with a draft bill covering fuel production, conservation, and electricity by the Committee on Energy & Natural Resources</p> <p>6/3/03 Update – Bill reported out of Finance Committee for consideration on the House floor and renumbered S. 1005. See update on Comprehensive Senate Energy legislation.</p> <p>7/15/03 Update: The bill sponsor will attempt to add the tax incentives to S. 14. See update on Comprehensive Senate Energy legislation below.</p> <p>8/5/03 Update: S. 14 has been pulled from the Senate floor (See Energy Bills) in favor of last year's comprehensive Energy bill, S. 517, which also included the CLEAR Act and other tax credits for alternative fuels. Sen. Grassley, Chairman of the Finance Committee, will attempt to add the tax credits as written this year (substantially the same as last year's language) during the House-Senate conference.</p> <p>9/09/03 Update: Energy bill conference began Sept. 5. See update on comprehensive energy legislation update below.</p> <p>10/06/03 Update: Members of the conference committee on the energy bill have not yet reached agreement on the tax provisions, including the CLEAR Act. Some version of the CLEAR Act is expected to survive the conference, assuming the conferees are successful in producing a final energy bill.</p> <p>11/06/03 Update: Conferees are currently meeting to discuss tax incentives in the energy bill, including the CLEAR Act. Sen. Grassley is reportedly pushing to include the majority of the CLEAR Act incentives, while Rep. Thomas would like to include the more limited incentives from the House energy bill.</p> <p>12/06/03 Update: CLEAR Act incentives for alternative fuel vehicles were included in the energy bill conference report. The conference report would also extend and reduce the tax deduction for infrastructure. However, the proposed new tax credits for infrastructure and the retail sale of alternative fuels</p>

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	<p>were not included in the conference report.</p> <p>01/07/04 Update: Congress will reconvene on January 20. The conference report on the energy bill is pending in the Senate.</p> <p>02/05/04 Update: The conference report (H. Rept. 108-375) on the comprehensive energy bill is pending in the Senate. The bill's primary drafter, Sen. Pete Domenici, has prepared a plan to make changes to the tax incentives to facilitate passage of the conference report. These changes could affect the CLEAR Act.</p> <p>Domenici is likely cut the cost of the bill, either by adding "sunset" provisions that would cause tax credits to expire on a certain date, or by reducing the amount of the tax credits across all energy industry sectors. See update on comprehensive energy bill for the status of the conference report.</p> <p>03/05/04: The conference report on the Energy Policy Act of 2003 is still being filibustered in the Senate. Sen. Domenici on February 12 introduced a new, less expensive version of the energy bill (S. 2095). The tax credits in S. 2095 are based largely on the energy tax bill are based largely on the energy tax incentive bill passed by the Senate Finance Committee in June 2003.</p> <p>While overall tax credits were reduced in S. 2095, the bill would add an alternative fuel infrastructure tax credit, a tax credit for the retail sale of alternative fuels, and an electric vehicle tax credit. These incentives were part of the CLEAR Act, but were not included in the conference report on the comprehensive energy bill.</p> <p>04/02/04: Supporters of S. 2095 are attempting to bring it to the floor for a vote by the full Senate. Prospects now appear dim for passage of either S. 2095 or the conference report on H.R. 6, which was passed by the House but has not been voted on by the Senate.</p> <p>It is possible that the CLEAR Act may be moved as part of a tax package that is either introduced as a new, separate bill, or added as an amendment to legislation that is expected to become law.</p> <p>H.R. 1531 by Rep. Jim McCrery (R-LA)</p> <ul style="list-style-type: none">• Energy Tax Policy Act of 2003. Would amend the Internal Revenue Code of 1986 to enhance energy conservation and to provide for reliability and diversity
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in the energy supply for the American people, and for other purposes. Includes CLEAR ACT provisions, but would exclude tax credits for hybrid vehicles.

5/6/03 Update: APPROVED by the House Committee on Ways and Means 24-12

6/3/03 Update: None

7/15/03 Update: None

9/09/03 Update: Tax bill will be considered as part House comprehensive energy bill (H.R. 6) currently in conference with the Senate. The energy bill conference began Sept. 5. See update on comprehensive energy legislation update below.

10/06/03 Update: Members of the conference committee on the energy bill have not yet reached agreement on the tax provisions, including the CLEAR Act. Some version of the CLEAR Act is expected to survive the conference, assuming the conferees are successful in producing a final energy bill.

11/06/03 Update: Conferees are currently meeting to discuss tax incentives in the energy bill, including the CLEAR Act. Sen. Grassley is reportedly pushing to include the majority of the CLEAR Act incentives, while Rep. Thomas would like to include the more limited incentives from the House energy bill.

12/02/03 Update: CLEAR Act incentives for alternative fuel vehicles were included in the energy bill conference report. The conference report would also extend and reduce the tax deduction for infrastructure. However, the proposed new tax credits for infrastructure and the retail sale of alternative fuels were not included in the conference report.

01/07/04 Update: Congress will reconvene on January 20. The conference report on the energy bill is pending in the Senate.

02/05/04 Update: The conference report (H. Rept. 108-375) on the comprehensive energy bill is pending in the Senate. The bill's primary drafter, Sen. Pete Domenici, has prepared a plan to make changes to the tax incentives to facilitate passage of the conference report. These changes could affect the CLEAR Act.

Domenici is likely cut the cost of the bill, either by adding "sunset" provisions that would cause tax credits to expire on a certain date, or by reducing the amount of the tax credits across all energy industry sectors. See update on comprehensive energy bill for the status of the conference report.

03/05/04 Update: The conference report on the Energy Policy Act of 2003 is still being filibustered in the Senate.

04/02/04 Update: Supporters of S. 2095 are attempting to bring

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it to the floor for a vote by the full Senate. Prospects now appear dim for passage of either S. 2095 or the conference report on H.R. 6, which was passed by the House but has not been voted on by the Senate.

It is possible that the CLEAR Act would be moved as part of a tax package that is either introduced as a new, separate bill, or added as an amendment to legislation that is expected to become law.

H.R. 238 by Rep. Sherwood Boehlert (R-NY)

- Energy Research, Development, Demonstration, and Commercial Application Act of 2003. Would provide for Federal energy research, development, demonstration, and commercial application activities, and for other purposes.

2/20/03 Update: Referred to the Subcommittee on Energy

3/4/03 Update: APPROVED

5/22/03 Update: Amended by the Committee on Science.

House Committee on Resources Granted an extension for further consideration ending not later than June 27, 2003

6/3/03 Update: None

6/30/03 Update: Committee on Resources discharged, placed on Union calendar, Calendar No. 94.

***Draft bill** by Committee on Resources

- A bill that would allow oil exploration in the Arctic National Wildlife Refuge (ANWR)

4/3/03 Update: APPROVED

***Draft bill** by Committee on Energy and Commerce

- A bill covering fuel production, conservation, and electricity. Bill would authorize the Clean School Bus Program, providing \$90 million in FY04 rising to \$110 million in FY06 for the purchase of alternative fuel school buses or ultra-low sulfur diesel school buses. The Department of Energy would also participate in a research and development program with private sector fuel cell bus developers to produce fuel cell school buses. The bill would also establish a diesel retrofit grant program for school bus service providers.

4/2/03 Update: APPROVED

5/6/03 Update: Separate approved House bills included in a

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comprehensive Energy bill (H.R. 6), passed by the House on April 11.

6/03/03 Update: Comprehensive Senate Energy Legislation. Separate Senate bills on energy production (S. 14), Renewable fuels (S. 791) being debated on the Senate floor. S. 791 has been proposed as an amendment to S. 14. Senator Feinstein expected to offer an amendment to S. 791 to allow Governors to opt out of the renewable fuels requirement. Senate tax energy incentive bill (formerly S. 597 now S. 1005) reported out of the Senate Finance Committee for consideration on the Senate floor, and is expected to be combined with the other bills.

7/15/03 Update: The Senate on June 5 passed S. 791 as an amendment to S. 14. The provision would implement a Renewable Fuels Standard (RFS) requiring the use of renewable fuel (mostly ethanol) in gasoline, and would phase out MTBE. Two amendments offered by Senator Feinstein were defeated. One amendment would have allowed Governors to opt into the program, while the other amendment would have required the EPA to grant an exception to the RFS for states that could meet clean air requirements without using ethanol. The Senate agreed to an amendment by Senator Boxer to allow ethanol derived from biomass from agricultural residue to receive additional credits toward the renewable fuel requirement, but rejected a separate Boxer amendment to strike liability protections for renewable fuel producers from the bill.

On July 10 the Senate passed an amendment to S. 14 by Sen. Byron Dorgan (D-ND) to require the Dept. of Energy to set timelines and goals for the deployment of hydrogen technology.

The Energy bill was pulled from the Senate floor after June 12 to pursue other legislative priorities and may be debated on the floor before the August recess, which begins on July 25.

The bill was sent to the Senate floor on July 29 where a number of amendments were debated. Among the amendments passed was the amendment proposed by Sens. Bond and Levin, which would require the National Highway Traffic Safety Administration, an agency within DOT, to issue new regulations for corporate average fuel economy (CAFE) standards for 2007 model year vehicles after considering a host of new criteria. The amendment would require the Department of Transportation to recommend an increase in the fuel efficiency of passenger and nonpassenger vehicles produced by automakers based in the

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United States. This amendment passed 66-30. The Senate is still considering the bill.

08/05/03 On July 31, the Senate stopped consideration of S. 14 and instead passed last year's Senate energy bill, S. 517, by an 84-14 margin. Sens. Feinstein and Boxer voted against the bill, as they did last year, largely because it would require an increase in the use of ethanol in gasoline, and their belief that the bill contains insufficient energy conservation measures. A House-Senate Conference Committee will meet in September to resolve differences between the House (H.R. 6) and Senate Energy bills.

The Senate energy bill includes the following measures:

Renewable Energy:

- Renewable Portfolio Standard would require utilities to produce 10% of electricity from renewable sources by 2020.
- Would phase out fuel additive MTBE and require an increase in ethanol use in gasoline from 1.5 billion gallons a year to 5 billion gallons a year by 2012.

Fuel Efficiency:

- Higher CAFE standards rejected. Would give the National Highway Traffic Safety Administration two years to set new standards, taking economic factors into consideration.

Climate Change:

- Would require the President to create a National Climate Change strategy. Office of National Climate Change Policy
Office of Climate Change Technology
- Would establish a National Greenhouse Gas Database with voluntary reporting from greenhouse gas sources. Reporting would become mandatory after 3 years if the database does not include 60 percent of GHGs in the U.S.

Tax Incentives:

CLEAR Act by Senator Hatch

- Tax credits for purchasing alternative fuels, installing alternative fuel infrastructure and buying alternative fuel vehicles.

Renewable Energy Production Tax Credit

- Extension of the renewable electricity production tax credit. Would expand the credit to include production utilizing geothermal, solar, open-loop biomass, and

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animal waste.

9/09/03 Update: Congress returned from the August recess on September 2. The conference committee that will attempt to reconcile the comprehensive energy bills passed in the House and Senate held its first meeting on Friday, September 5. Senate Energy and Natural Resources Committee Chairman Sen. Pete Domenici (R-NM), who will chair the conference committee, and House Energy and Commerce Committee Chairman Billy Tauzin (R-LA) announced a rough timeline for the conference, saying they hopes to complete the bill by the end of September.

Chairmen Domenici and Tauzin identified difficult “tier I” issues that will take several weeks to resolve, including electricity, ANWR, CAFE standards, ethanol, Climate Change, and Alaska petroleum pipeline incentives. These issues will require involvement by Members, while their staffs will meet to resolve relatively uncontroversial “tier 2” issues, which include efficiency proposals (other than CAFE) and research and development funding.

Neither of California’s Senators was named to the conference committee. From the House, California Reps. Henry Waxman (D), Duncan Hunter (R), Richard Pombo (R), Howard McKeon (R), Bill Thomas (R), and George Miller (D) were included in the conference committee.

The conferees are:

Senate Conferees

- **Republicans:** Energy and Natural Resources Committee Chairman Pete Domenici (NM) and committee members Don Nickles (OK), Larry Craig (ID), Ben Nighthorse Campbell (CO) and Craig Thomas (WY). Senate Finance Committee Chairman Charles Grassley (IA) and committee member Trent Lott (MS).
- **Democrats:** Energy and Natural Resources Committee Ranking Member Jeff Bingaman (NM), and committee members Byron Dorgan (ND), Bob Graham (FL), Ron Wyden (OR) and Tim Johnson (SD). Finance Committee member Max Baucus (MT).

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House Conferees

- Energy and Commerce Committee – Chairman Billy Tauzin (R-LA), Michael Bilirakis (R-FL.), Joe Barton (R-TX), Fred Upton (R-MI), Cliff Stearns (R-FL), Paul Gillmor (R-OH), John Shimkus (R-IL), John Dingell (D-MI), Henry Waxman (D-CA), Edward Markey (D-MA), Rick Boucher (D-VA) and Bobby Rush (D-LA).
- Agriculture Committee -- Committee Chairman Bob Goodlatte (R-VA), Frank Lucas (R-OK) and Charles Stenholm (D-TX).
- Armed Services Committee -- Committee Chairman Duncan Hunter (R-CA), Curt Weldon (R-PA) and Ike Skelton (D-MO).
- Education and the Workforce Committee -- Howard McKeon (R-CA), Sam Johnson (R-TX) and George Miller (D-CA).
- Financial Services Committee -- Committee Chairman Michael Oxley (R-OH), Bob Ney (R-OH) and Maxine Waters (D-CA).
- Government Reform Committee -- Committee Chairman Tom Davis (R-VA), Timothy Murphy (R-PA) and John Tierney (D-MA).
- Judiciary Committee -- Committee Chairman James Sensenbrenner (R-WI), Lamar Smith (R-TX) and John Conyers (D-MI).
- Resources Committee -- Committee Chairman Richard Pombo (R-CA), Barbara Cubin (R-WY) and Nick Rahall (D-WV), and for limited provisions, Ron Kind (D-WI).
- Science Committee -- Chairman Sherwood Boehlert (R-NY), Judy Biggert (R-IL), Ralph Hall (D-TX), and for limited provisions, Jerry Costello (D-IL) and Nicholas Lampson (D-TX).
- Transportation and Infrastructure Committee -- Chairman Don Young (R-AK), Thomas Petri (R-WI) and James Oberstar (D-MN)
- Ways and Means Committee -- Chairman Bill Thomas (R-CA), Jim McCrery (R-LA) and Charles Rangel (D-NY)

10/06/03 Update: Members of the conference committee are presently negotiating the elements of a final energy bill. A final vote is not expected for another two weeks, at least.

Controversial issues include ANWR, CAFE standards, climate

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change, electricity, MTBE, and renewable energy requirements.

11/06/03 Update: Members of the conference committee are presently negotiating, and hope to produce a final conference report by the end of the week. The White House reportedly reached an informal agreement with Sen. Grassley and Rep. Thomas to include ethanol and biodiesel tax incentives in the bill. The ethanol tax section reportedly would include a provision that would move the tax break for ethanol from the Highway Trust Fund to the Treasury, which would generate an additional \$2 billion a year for the HTF, according to Sen. Grassley.

Rep. Joe Barton (R-TX) Chairman of the House Energy and Air Quality Subcommittee, has drafted language that would allow the EPA to grant extensions to metropolitan areas that are in danger of missing pollution control deadlines imposed by the EPA, and which would risk being "bumped up" to more severe classifications without an extension. The extensions would apparently apply to metropolitan areas that have an "overwhelming" amount of ozone transported from other areas.

Barton's language would overturn a series of court decisions ruling that the EPA does not have statutory authority under the Clean Air Act to grant such extensions. An aide to Sen. Domenici recently predicted that the ozone language would be included in the conference report, as the majority of the House has supports it. Sen. Jim Jeffords (I-VT) has opposed the ozone language and a spokesman said Sen. Jeffords might filibuster it.

The conferees are also discussing whether to ban MTBE nationally, as proposed in the Senate bill, or whether to allow states to opt out of the ban, a position that is held by House Majority Leader Tom DeLay (R-TX) and Energy and Commerce Committee Chairman Rep. Billy Tauzin (R-LA).

Conferees hope to resolve the remaining issues quickly, including CLEAR Act incentives and renewable electricity production incentives.

12/02/03 Update: The conference committee for H.R. 6 completed a conference report (H. Rept. 108-375), which the House passed by a margin of 246 to 180 on November 18. However, the Senate did not vote on the conference report, as Senate Majority Leader Frist failed to overcome a filibuster led by Northeastern senators upset by a provision granting liability

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protection to ethanol manufacturers. Frist filed a motion for cloture to end the filibuster and force a vote but the cloture motion only gained 57 votes, while 60 votes are needed to end a filibuster. Senators Feinstein and Boxer supported the filibuster by voting “no” on the cloture motion, along with 38 other senators.

Frist has said the Senate will take up the conference report again in January 2004.

The conference report included the following provisions:

- Some CLEAR Act Incentives.
- An ethanol mandate and phaseout of MTBE
- Authorization of (but not appropriation for) the clean school bus program at lower levels than the original House bill.
 - EPA grants for alternative fuel or ultra-low diesel fuel buses: \$45 million in FY05, \$65 million in FY06, \$90 million in FY07. (The program would have been authorized at \$90, \$100 and \$110 million annually under the original House bill.)
 - EPA grants for retrofit of diesel engine buses: \$20 million in FY05 million, \$35 in FY06, and \$45 million in FY07.
 - Cooperative agreements between DOE and private sector and two local governments for R & D and demonstration of fuel cell buses: \$25 million FY04, FY05, and FY06.
- EPAAct of 1992 provisions
 - Flexibility: covered fleets would be able to obtain a waiver of AFV purchase requirements by showing that they will otherwise reduce petroleum usage by as much as they would by complying with the AFV purchase requirements.
 - Hybrids: partial EPAAct credits could be obtained for the purchase of hybrids, which currently receive no credit.
 - Infrastructure: EPAAct credits would be available for investment in alternative fuel infrastructure that is available to the public.
 - EPA Report: EPA report would be required within 180 days of the law’s enactment on the impact of EPAAct and the potential impact of these amendments.

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- 50 percent cap on credit for biodiesel would not be changed by the conference report.
- Ozone - EPA would have the authority to grant extensions for nonattainment areas (the Barton amendment).
- CAFE credits – dual fueled vehicles would still qualify for CAFE credits.
- Emissions Trading – would require a study within 180 days of enactment on the trading of mobile source emission credits by stationary sources to meet emission offset requirements in a nonattainment area.

01/07/04 Update: Congress adjourned in December after the House passed the conference report on the energy bill, while the Senate adjourned without voting on the bill. Congress will reconvene on January 20.

Energy bill supporters are lobbying Senators in order to get enough votes to break a filibuster in the Senate and allow a floor vote on the conference report. Observers are uncertain about the energy bill's chances for passage.

02/05/04 Update: Congress reconvened on January 20 and the conference report (H. Rept. 108-375) on the comprehensive energy bill is pending in the Senate. Supporters have been unable to overcome a filibuster by Senate Democrats. Potential avenues for passage of the conference report include attaching the bill to pending legislation such as the transportation reauthorization bill (S.1072), a tax and trade reform bill (S.1637), or a welfare reauthorization bill. Rumors persist that Senate Minority Leader Tom Daschle will attempt to add portions of the energy package to the transportation reauthorization bill, which is expected to be considered on the Senate floor the week of February 9.

There is also a possibility that portions of the energy tax incentives package (including the CLEAR Act) will be removed from the energy conference report and attached to another bill, particularly the transportation bill.

The energy bill's primary Senate drafter, Sen. Pete Domenici (R-NM), would prefer to pass an energy conference report as "stand-alone" legislation, without adding the package to another bill, and without removing particular provisions for passage

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separately. In order to facilitate passage of the conference report, Domenici has prepared a plan to eliminate the bill's "safe harbor" provision, which would provide liability protection to MTBE manufacturers.

Domenici also plans to reduce tax incentives and spending mandates in order to reduce the cost of the bill, a step that could affect the CLEAR Act incentives. The bill would currently cost \$31 billion over 10 years – about \$26 billion in tax credits and \$5 billion in mandated spending. Reports indicate Domenici will reduce the cost of the bill by anywhere from \$6 to \$13 billion.

Cost savings in the tax package could be achieved by adding "sunset" provisions which would cause tax credits to expire on a certain date, or by reducing the amount of the tax credits across all energy industry sectors. The cost savings are expected to ease the concerns of senators who feel the bill is too expensive. These senators have threatened to raise a budget point of order against the conference report, which would require 60 votes to overcome.

If the Senate passes the conference report with these changes, the report must be sent back to the House, which can either pass the Senate version of the report or amend it and send the report back to the Senate. At this time, House Majority Leader Tom DeLay continues to insist he would not accept an energy bill that does not include MTBE liability protection.

03/05/04 Update: H. Rept. 108-375, the conference report on the Energy Policy Act of 2003 is still under a filibuster in the Senate. The Act's supporters are attempting to find additional Democratic support in the Senate to overcome the filibuster.

On February 12, Sen. Domenici introduced a new less expensive energy bill (S. 2095). The bill has reduced tax credits and smaller spending figures in order to gain support from fiscal conservatives and the President after recent projections placed the federal deficit at over \$500 billion.

While overall tax credits were reduced in S. 2095 the bill would add the alternative fuel equipment tax credit, a tax credit for the retail sale of alternative fuels, and an tax credit for electric vehicles. These incentives were part of the CLEAR Act, but were not included in the conference report on the comprehensive energy bill.

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	<p>S. 2095 does not include liability protection for MTBE manufacturers.</p> <p>04/02/04 Update: Supporters of S. 2095, the newer Senate energy bill, are hoping to attempting to bring the bill to the Senate floor for a vote by the full Senate. Prospects are increasingly dim for the passage of either S. 2095 or the conference report for last year's comprehensive energy bill, H.R. 6, which was passed by the House but has not yet been voted on in the Senate.</p> <p>In the meantime, Members are beginning to attempt to move pieces of the comprehensive energy policy in separate bills. For example, an electricity reliability bill was introduced in the Senate this week. Changes to the ethanol taxation regime were added to the Senate transportation bill, SAFETEA, while extensions of existing renewable energy production tax credits were added to tax and trade reform legislation.</p> <p>Similarly, entire tax package from either of the comprehensive energy bills, including the CLEAR Act, might be moved by introducing the tax language as a separate bill or attaching it to legislation that is expected to become law.</p>
Biodiesel Promotion Act of 2003	<p>S. 355 by Senator Blanche Lincoln (D-AR)</p> <ul style="list-style-type: none">• A bill to amend the Internal Revenue Code of 1986 to allow a credit for biodiesel fuel. It would provide a one-cent reduction in the diesel fuel excise tax for each percentage of biodiesel blended with petroleum diesel up to 20 percent. <p>2/11/03 Update: Referred to the Committee on Finance</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: Tax credits for biodiesel have been added to the Senate energy tax incentive legislation (S. 1005) which sponsors will attempt to add to S. 14, the comprehensive Senate Energy bill (<i>See Energy Bills</i>).</p> <p>8/15/03 Update: S. 14 has been pulled from the Senate floor (<i>See Energy Bills</i>) in favor of last year's comprehensive Energy bill, S. 517, which also included tax credits for biodiesel. However Sen. Charles Grassley, Chairman of the Finance Committee, will attempt to add the tax credits as written this year into the energy bill produced in the House-Senate Conference.</p> <p>9/09/03 Update: Energy bill conference began Sept. 5. See</p>

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	<p>Energy Bills update on comprehensive energy legislation.</p> <p>10/06/03 Update: Members of the conference committee on the energy bill have not yet reached agreement on the tax provisions, including incentives for biodiesel.</p> <p>11/06/03 Update: Energy bill conferees have reportedly reached an agreement to include a new excise tax credit for biodiesel in the energy bill conference report. Biodiesel made from soybeans would receive a \$1 per gallon credit, while all other biodiesel would receive 50 cents per gallon.</p> <p>12/02/03 Update: The biodiesel tax credits were included in the conference report for H.R. 6, which was passed by the House, but stalled in the Senate due to a filibuster.</p> <p>01/07/04 Update: Congress will reconvene on January 20. The conference report on the energy bill is pending in the Senate.</p> <p>02/05/04 Update: The conference report (H. Rept. 108-375) on the comprehensive energy bill is pending in the Senate. The bill's supporters are likely to make changes to the conference report in order to attempt to facilitate its passage. See Energy bills update on comprehensive energy legislation.</p> <p>03/05/04 Update: The energy bill conference report H. Rept. 108-375 is still being filibustered in the Senate. A new energy bill, S. 2095 has been introduced in the Senate. S. 2095 also includes the biodiesel tax credit.</p> <p>04/02/04 Update: Passage of either of the energy bills appears unlikely at this time. However, a biodiesel tax credit is included in the Senate transportation reauthorization bill, SAFETEA (S. 2072). The Senate passed SAFETEA on February 12 by a margin of 76 to 21. The transportation bill pending on the House floor, TEALU (H.R. 3550) does not include a biodiesel tax credit.</p>
<p>EPACT Alternative Fuel Flexibility Act of 2003</p>	<p>H.R. 316 by Rep. John Shimkus (R-IL)</p> <ul style="list-style-type: none"> • A bill to eliminate certain restrictions on the availability of credits under Title III of the Energy Policy Act of 1992 for the use of biodiesel fuel <p>1/8/02 Update: Referred to the House Committee on Energy and Commerce</p> <p>2/3/03 Update: Referred to the Subcommittee on Energy and Air Quality</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: The 50 percent cap on EPAct credits for biodiesel would not be changed by the conference report on the energy bill, H.R. 6.</p>

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01/07/04 Update: None

02/05/04 Update: None

03/05/04 Update: None

04/02/04 Update: None

S. 356 by Senator Blanche Lincoln (D-AR)

- A bill to amend the Energy Policy Act of 1992 to increase the allowable Credit for biodiesel use under the alternatively fueled vehicle purchase requirement.

2/11/03 Update: Referred to the Committee on Energy and Natural Resources

5/6/03 Update: None

6/3/03 Update: None

7/15/03 Update: A similar provision added to S. 14 (*See* Energy Bills) would eliminate the 50 percent limitation in section 312 of the Energy Policy Act of 1992 on the use of biodiesel to meet AFV purchase requirements.

8/15/03 Update: S. 14 has been pulled from the Senate floor (*See* Energy Bills) in favor of last year's Senate Energy bill S. 517. S. 517 included a provision to temporarily eliminate the 50 percent limitation on the use of biodiesel through 2005.

9/09/03 Update: Energy bill conference began on Sept. 5. *See* Energy Bills for update on comprehensive energy legislation.

10/06/03 Update: Members of the conference committee on the energy bill are presently meeting to consider all of the bill's provisions, including biodiesel and renewable fuel incentives.

11/06/03 Update: Conferees are presently meeting to consider renewable fuel provisions, including biodiesel. Conferees have not released any information on the use of biodiesel to meet EAct requirements.

12/02/03 Update: The 50 percent cap on EAct credits for biodiesel would not be changed by the conference report on the energy bill, H.R. 6.

01/07/04 Update: None

02/05/04 Update: None

03/05/04 Update: None

04/02/04 Update: None

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Small Engine Regulation

11/06/03 Update: Sen. Christopher "Kit" Bond (R-Mo.), chairman of the VA-HUD Appropriations Subcommittee, inserted language in the VA-HUD bill, which funds the EPA, that would strip California and other states of the ability to set stronger air quality standards than the federal government. The Bond provision seeks to overturn a recently adopted California regulation aimed at controlling pollution from small engines. Observers expect the bill, S. 1584, to be considered on the Senate floor next week.

Sen. Dianne Feinstein (D-CA) is expected to push an amendment targeting removal of the language.

12/02/03 Update: Sens. Feinstein and Bond reached a compromise agreement that would allow California to impose more stringent standards for small nonroad engines than the federal government. The agreement would prevent other states from adopting such standards.

The compromise would require EPA to study California's standard to ensure it does not cause undue safety and fire hazards. EPA is also required under the compromise to propose a new national standard for nonroad engines smaller than 50 horsepower by December 2004, with a final rule due by the end of 2005.

The compromise small engine language is included in the omnibus appropriations bill, which combines the VA-HUD and Independent Agencies Appropriations bill several other appropriations bills that have not been passed. The House will vote on the omnibus appropriations bill on December 8, while the Senate is hoping to reach an agreement to vote on the bill the same week.

01/07/04 Update: The House on December 8, 2003 passed the conference report on the FY04 omnibus appropriations bill, which includes the VA-HUD and Independent Agencies Appropriations bill, by a margin of 242 to 176. The Senate adjourned without voting on the conference report. Congress will reconvene on January and Senate Majority Leader Frist will quickly attempt to force a vote on the omnibus appropriations bill.

02/05/04 Update: The Senate passed the conference report (H. Rept. 108-401) on the FY04 omnibus appropriations bill by a margin of 65 to 28 on January 22. Senator Feinstein voted for

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	<p>the conference report, while Senator Boxer voted against it. The conference report included the compromise language on the small engine rule.</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>
Biofuels Energy Independence Act of 2003	<p>H.R. 130 by Rep. Marcy Kaptur (D-OH)</p> <ul style="list-style-type: none"> • A bill to provide for a Biofuels Feedstocks Energy Reserve, and to authorize the Secretary of Agriculture to make and guarantee loans for the production, distribution, development, and storage of biofuels. <p>1/7/03 Update: Referred to the House Committee on Agriculture</p> <p>2/4/03 Update: Referred to the Subcommittee on Department Operations, Oversight, Nutrition and Forestry</p> <p>5/6/03 Update: None</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/15/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>

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Automobile Fuel Economy Act of 2003	<p>S. 255 by Senator Dianne Feinstein (D-CA)</p> <ul style="list-style-type: none">• A bill to require phased increases in the fuel efficiency standards applicable to light trucks; to require fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; to increase the fuel economy of the Federal fleet of vehicles. <p>1/3/03 Update: Referred to the Senate Committee on Commerce, Science and Transportation</p> <p>5/6/03 Update: Attempted amendment to the Energy bill. Failed in the Senate Committee on Energy and Natural Resources.</p> <p>6/3/03 Update: None</p> <p>7/15/03 Update: None</p> <p>8/05/03 Update: None</p> <p>9/09/03 Update: None</p> <p>10/06/03 Update: None</p> <p>11/06/03 Update: None</p> <p>12/02/03 Update: None</p> <p>01/07/04 Update: None</p> <p>02/05/04 Update: None</p> <p>03/05/04 Update: None</p> <p>04/02/04 Update: None</p>
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