

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1265

To make grants and loans available to States and other organizations to strengthen the economy, public health, and environment of the United States by reducing emissions from diesel engines.

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## IN THE SENATE OF THE UNITED STATES

JUNE 16, 2005

Mr. VOINOVICH (for himself, Mr. CARPER, Mrs. CLINTON, Mr. ISAKSON, Mrs. HUTCHISON, Mrs. FEINSTEIN, Mr. INHOFE, and Mr. JEFFORDS) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To make grants and loans available to States and other organizations to strengthen the economy, public health, and environment of the United States by reducing emissions from diesel engines.

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. SHORT TITLE.**

4       This Act may be cited as the “Diesel Emissions Re-

5       duction Act of 2005”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

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

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

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

8                           (i) the Administrator; or

9                           (ii) the California Air Resources  
10                   Board;

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

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

19                           (i) removed from the vehicle; and

20                           (ii) returned to the supplier for re-  
21                   manufacturing to a more stringent set of  
22                   engine emissions standards or for  
23                   scrappage.

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

1 (A) a regional, State, local, or tribal agen-  
2 cy with jurisdiction over transportation or air  
3 quality; and

4 (B) a nonprofit organization or institution  
5 that—

6 (i) represents organizations that own  
7 or operate diesel fleets; or

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

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

17 (5) HEAVY-DUTY TRUCK.—The term “heavy-  
18 duty truck” has the meaning given the term “heavy  
19 duty vehicle” in section 202 of the Clean Air Act  
20 (42 U.S.C. 7521).

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

24 (7) VERIFIED TECHNOLOGY.—The term  
25 “verified technology” means a pollution control tech-

1 nology, including a retrofit technology, that has been  
2 verified by—

3 (A) the Administrator; or

4 (B) the California Air Resources Board.

5 **SEC. 3. NATIONAL GRANT AND LOAN PROGRAMS.**

6 (a) IN GENERAL.—The Administrator shall use 70  
7 percent of the funds made available to carry out this Act  
8 for each fiscal year to provide grants and low-cost revolv-  
9 ing loans, as determined by the Administrator, on a com-  
10 petitive basis, to eligible entities to achieve significant re-  
11 ductions in diesel emissions in terms of—

12 (1) tons of pollution produced; and

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

16 (b) DISTRIBUTION.—

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

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

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

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

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

8 (B) EMERGING TECHNOLOGIES.—

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

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

23 (c) APPLICATIONS.—

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

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

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

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

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

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

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

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

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

24 (E) an estimate of the cost of the proposed  
25 project;

1 (F) a description of the age and expected  
 2 lifetime control of the equipment used by the el-  
 3 igible entity;

4 (G) a description of the diesel fuel avail-  
 5 able to the eligible entity, including the sulfur  
 6 content of the fuel; and

7 (H) provisions for the monitoring and  
 8 verification of the project.

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

13 (A) maximize public health benefits;

14 (B) are the most cost-effective;

15 (C) serve areas—

16 (i) with the highest population den-  
 17 sity;

18 (ii) that are poor air quality areas, in-  
 19 cluding areas identified by the Adminis-  
 20 trator as—

21 (I) in nonattainment or mainte-  
 22 nance of national ambient air quality  
 23 standards for a criteria pollutant;

24 (II) Federal Class I areas; or

1 (III) areas with toxic air pollut-  
2 ant concerns;

3 (iii) that receive a disproportionate  
4 quantity of air pollution from a diesel fleet,  
5 including ports, rail yards, and distribution  
6 centers; or

7 (iv) that use a community-based  
8 multistakeholder collaborative process to  
9 reduce toxic emissions;

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

13 (E) will maximize the useful life of any ret-  
14 rofit technology used by the eligible entity; and

15 (F) use diesel fuel with a sulfur content of  
16 less than or equal to 15 parts per million, as  
17 the Administrator determines to be appropriate.

18 (d) USE OF FUNDS.—

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

22 (A) a retrofit technology (including any in-  
23 cremental costs of a repowered or new diesel  
24 engine) that significantly reduces emissions  
25 through development and implementation of a

1 certified engine configuration, verified tech-  
2 nology, or emerging technology for—

3 (i) a bus;

4 (ii) a medium-duty truck or a heavy-  
5 duty truck;

6 (iii) a marine engine;

7 (iv) a locomotive; or

8 (v) a nonroad engine or vehicle used  
9 in—

10 (I) construction;

11 (II) handling of cargo (including  
12 at a port or airport);

13 (III) agriculture;

14 (IV) mining; or

15 (V) energy production; or

16 (B) an idle-reduction program involving a  
17 vehicle or equipment described in subparagraph  
18 (A).

19 (2) REGULATORY PROGRAMS.—

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

1 (B) MANDATED.—For purposes of sub-  
2 paragraph (A), voluntary or elective emission  
3 reduction measures shall not be considered  
4 “mandated”, regardless of whether the reduc-  
5 tions are included in the State implementation  
6 plan of a State.

7 **SEC. 4. STATE GRANT AND LOAN PROGRAMS.**

8 (a) IN GENERAL.—Subject to the availability of ade-  
9 quate appropriations, the Administrator shall use 30 per-  
10 cent of the funds made available for a fiscal year under  
11 this Act to support grant and loan programs administered  
12 by States that are designed to achieve significant reduc-  
13 tions in diesel emissions.

14 (b) APPLICATIONS.—The Administrator shall—

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

18 (A) the process and forms for applications;

19 (B) permissible uses of funds received; and

20 (C) the cost-effectiveness of various emis-  
21 sion reduction technologies eligible to be carried  
22 out using funds provided under this section;  
23 and

24 (2) establish, for applications described in para-  
25 graph (1)—

1 (A) an annual deadline for submission of  
2 the applications;

3 (B) a process by which the Administrator  
4 shall approve or disapprove each application;  
5 and

6 (C) a streamlined process by which a State  
7 may renew an application described in para-  
8 graph (1) for subsequent fiscal years.

9 (c) ALLOCATION OF FUNDS.—

10 (1) IN GENERAL.—For each fiscal year, the Ad-  
11 ministrator shall allocate among States for which  
12 applications are approved by the Administrator  
13 under subsection (b)(2)(B) funds made available to  
14 carry out this section for the fiscal year.

15 (2) ALLOCATION.—Using not more than 20  
16 percent of the funds made available to carry out this  
17 section for a fiscal year, the Administrator shall pro-  
18 vide to each State described in paragraph (1) for the  
19 fiscal year an allocation of funds that is equal to—

20 (A) if each of the 50 States qualifies for  
21 an allocation, an amount equal to 2 percent of  
22 the funds made available to carry out this sec-  
23 tion; or

24 (B) if fewer than 50 States qualifies for an  
25 allocation, an amount equal to the amount de-

1 scribed in subparagraph (A), plus an additional  
2 amount equal to the product obtained by multi-  
3 plying—

4 (i) the proportion that—

5 (I) the population of the State;

6 bears to

7 (II) the population of all States

8 described in paragraph (1); by

9 (ii) the amount of funds remaining

10 after each State described in paragraph (1)

11 receives the 2-percent allocation under this

12 paragraph.

13 (3) STATE MATCHING INCENTIVE.—

14 (A) IN GENERAL.—If a State agrees to  
15 match the allocation provided to the State  
16 under paragraph (2) for a fiscal year, the Ad-  
17 ministrator shall provide to the State for the  
18 fiscal year an additional amount equal to 50  
19 percent of the allocation of the State under  
20 paragraph (2).

21 (B) REQUIREMENTS.—A State—

22 (i) may not use funds received under  
23 this Act to pay a matching share required  
24 under this subsection; and

1 (ii) shall not be required to provide a  
2 matching share for any additional amount  
3 received under subparagraph (A).

4 (4) UNCLAIMED FUNDS.—Any funds that are  
5 not claimed by a State for a fiscal year under this  
6 subsection shall be used to carry out section 3.

7 (d) ADMINISTRATION.—

8 (1) IN GENERAL.—Subject to paragraphs (2)  
9 and (3) and, to the extent practicable, the priority  
10 areas listed in section 3(c)(3), a State shall use any  
11 funds provided under this section to develop and im-  
12 plement such grant and low-cost revolving loan pro-  
13 grams in the State as are appropriate to meet State  
14 needs and goals relating to the reduction of diesel  
15 emissions.

16 (2) APPORTIONMENT OF FUNDS.—The Gov-  
17 ernor of a State that receives funding under this  
18 section may determine the portion of funds to be  
19 provided as grants or loans.

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

23 (A) a certified engine configuration; or

24 (B) a verified technology.

1 **SEC. 5. EVALUATION AND REPORT.**

2 (a) IN GENERAL.—Not later than 2 years after the  
3 date of enactment of this Act, and biennially thereafter,  
4 the Administrator shall submit to Congress a report evalu-  
5 ating the implementation of the programs under this Act.

6 (b) INCLUSIONS.—The report shall include a descrip-  
7 tion of—

8 (1) the total number of grant applications re-  
9 ceived;

10 (2) each grant or loan made under this Act, in-  
11 cluding the amount of the grant or loan;

12 (3) each project for which a grant or loan is  
13 provided under this Act, including the criteria used  
14 to select the grant or loan recipients;

15 (4) the estimated air quality benefits, cost-effec-  
16 tiveness, and cost-benefits of the grant and loan pro-  
17 grams under this Act;

18 (5) the problems encountered by projects for  
19 which a grant or loan is provided under this Act;  
20 and

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

23 **SEC. 6. OUTREACH AND INCENTIVES.**

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

26 (1) a verified technology; or

1 (2) an emerging technology.

2 (b) TECHNOLOGY TRANSFER PROGRAM.—

3 (1) IN GENERAL.—The Administrator shall es-  
4 tablish a program under which the Administrator—

5 (A) informs stakeholders of the benefits of  
6 eligible technologies; and

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

9 (2) ELIGIBLE STAKEHOLDERS.—Eligible stake-  
10 holders under this section include—

11 (A) equipment owners and operators;

12 (B) emission control technology manufac-  
13 turers;

14 (C) engine and equipment manufacturers;

15 (D) State and local officials responsible for  
16 air quality management;

17 (E) community organizations; and

18 (F) public health and environmental orga-  
19 nizations.

20 (c) STATE IMPLEMENTATION PLANS.—The Adminis-  
21 trator shall develop appropriate guidance to provide credit  
22 to a State for emission reductions in the State created  
23 by the use of eligible technologies through a State imple-  
24 mentation plan under section 110 of the Clean Air Act  
25 (42 U.S.C. 7410).

1 (d) INTERNATIONAL MARKETS.—The Administrator,  
2 in coordination with the Department of Commerce and in-  
3 dustry stakeholders, shall inform foreign countries with  
4 air quality problems of the potential of technology devel-  
5 oped or used in the United States to provide emission re-  
6 ductions in those countries.

7 **SEC. 7. EFFECT OF ACT.**

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

11 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

12 There is authorized to be appropriated to carry out  
13 this Act \$200,000,000 for each of fiscal years 2006  
14 through 2010, to remain available until expended.

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