

Calendar No. 202109TH CONGRESS
1ST SESSION**S. 1265****[Report No. 109-133]**

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.

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, Mr. JEFFORDS, Mr. DEWINE, Mr. LAUTENBERG, Mr. OBAMA, Mr. STEVENS, Mr. LEVIN, Ms. MURKOWSKI, Mr. SALAZAR, Mr. ALEXANDER, Mr. LIEBERMAN, Mr. CHAFEE, Mr. DEMINT, Mrs. BOXER, Mr. LUGAR, Mr. CORNYN, and Ms. LANDRIEU) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

SEPTEMBER 7, 2005

Reported by Mr. INHOFE, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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:

8 (1) ADMINISTRATOR.—The term “Adminis-

9 trator” means the Administrator of the Environ-

10 mental Protection Agency.

11 (2) CERTIFIED ENGINE CONFIGURATION.—The

12 term “certified engine configuration” means a new,

13 rebuilt, or remanufactured engine configuration—

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

15 (i) the Administrator; or

16 (ii) the California Air Resources

17 Board;

18 (B) that meets or is rebuilt or remanufac-

19 tured to a more stringent set of engine emission

20 standards, as determined by the Administrator;

21 and

22 (C) in the case of a certified engine con-

23 figuration involving the replacement of an exist-

24 ing engine or vehicle, an engine configuration

25 that replaced an engine that was—

- 1 (i) removed from the vehicle; and
 2 (ii) returned to the supplier for re-
 3 manufacturing to a more stringent set of
 4 engine emissions standards or for
 5 scrappage.

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

8 (A) a regional, State, local, or tribal agen-
 9 cy with jurisdiction over transportation or air
 10 quality; and

11 (B) a nonprofit organization or institution
 12 that—

13 (i) represents organizations that own
 14 or operate diesel fleets; or

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

17 (4) EMERGING TECHNOLOGY.—The term
 18 “emerging technology” means a technology that is
 19 not certified or verified by the Administrator or the
 20 California Air Resources Board but for which an ap-
 21 provable application and test plan has been sub-
 22 mitted for verification to the Administrator or the
 23 California Air Resources Board.

24 (5) HEAVY-DUTY TRUCK.—The term “heavy-
 25 duty truck” has the meaning given the term “heavy

1 duty vehicle” in section 202 of the Clean Air Act
 2 (42 U.S.C. 7521).

3 (6) ~~MEDIUM-DUTY TRUCK.~~—The term “me-
 4 ~~di~~um-duty truck” has such meaning as shall be de-
 5 ~~ter~~mined by the Administrator, by regulation.

6 (7) ~~VERIFIED TECHNOLOGY.~~—The term
 7 “verified technology” means a pollution control tech-
 8 nology, including a retrofit technology, that has been
 9 verified by—

10 (A) the Administrator; or

11 (B) the California Air Resources Board.

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

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

19 (1) tons of pollution produced; and

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

23 (b) ~~DISTRIBUTION.~~—

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

4 (2) ~~FLEETS.~~—The Administrator shall provide
5 not less than 50 percent of funds available for a fis-
6 cal year under this section to eligible entities for the
7 benefit of public fleets.

8 (3) ~~ENGINE CONFIGURATIONS AND TECH-~~
9 ~~NOLOGIES.~~—

10 (A) ~~CERTIFIED ENGINE CONFIGURATIONS~~
11 ~~AND VERIFIED TECHNOLOGIES.~~—The Adminis-
12 trator shall provide not less than 90 percent of
13 funds available for a fiscal year under this sec-
14 tion to eligible entities for projects using—

15 (i) a certified engine configuration; or

16 (ii) a verified technology.

17 (B) ~~EMERGING TECHNOLOGIES.~~—

18 (i) ~~IN GENERAL.~~—The Administrator
19 shall provide not more than 10 percent of
20 funds available for a fiscal year under this
21 section to eligible entities for the develop-
22 ment and commercialization of emerging
23 technologies.

24 (ii) ~~APPLICATION AND TEST PLAN.~~—

25 To receive funds under clause (i), a manu-

1 factorer, in consultation with an eligible
 2 entity, shall submit for verification to the
 3 Administrator or the California Air Re-
 4 sources Board a test plan for the emerging
 5 technology, together with the application
 6 under subsection (e).

7 (e) APPLICATIONS.—

8 (1) IN GENERAL.—To receive a grant or loan
 9 under this section, an eligible entity shall submit to
 10 the Administrator an application at a time, in a
 11 manner, and including such information as the Ad-
 12 ministrator may require.

13 (2) INCLUSIONS.—An application under this
 14 subsection shall include—

15 (A) a description of the air quality of the
 16 area served by the eligible entity;

17 (B) the quantity of air pollution produced
 18 by the diesel fleet in the area served by the eli-
 19 gible entity;

20 (C) a description of the project proposed
 21 by the eligible entity, including—

22 (i) any certified engine configuration,
 23 verified technology, or emerging technology
 24 to be used by the eligible entity; and

1 (ii) the means by which the project
2 will achieve a significant reduction in diesel
3 emissions;

4 (D) an evaluation (using methodology ap-
5 proved by the Administrator or the National
6 Academy of Sciences) of the quantifiable and
7 unquantifiable benefits of the emissions reduc-
8 tions of the proposed project;

9 (E) an estimate of the cost of the proposed
10 project;

11 (F) a description of the age and expected
12 lifetime control of the equipment used by the el-
13 igible entity;

14 (G) a description of the diesel fuel avail-
15 able to the eligible entity, including the sulfur
16 content of the fuel; and

17 (H) provisions for the monitoring and
18 verification of the project.

19 (3) PRIORITY.—In providing a grant or loan
20 under this section, the Administrator shall give pri-
21 ority to proposed projects that, as determined by the
22 Administrator—

23 (A) maximize public health benefits;

24 (B) are the most cost-effective;

25 (C) serve areas—

- 1 (i) with the highest population den-
2 sity;
- 3 (ii) that are poor air quality areas, in-
4 cluding areas identified by the Adminis-
5 trator as—
- 6 (I) in nonattainment or mainte-
7 nance of national ambient air quality
8 standards for a criteria pollutant;
- 9 (II) Federal Class I areas; or
- 10 (III) areas with toxic air pollut-
11 ant concerns;
- 12 (iii) that receive a disproportionate
13 quantity of air pollution from a diesel fleet,
14 including ports, rail yards, and distribution
15 centers; or
- 16 (iv) that use a community-based
17 multistakeholder collaborative process to
18 reduce toxic emissions;
- 19 (D) include a certified engine configura-
20 tion, verified technology, or emerging tech-
21 nology that has a long expected useful life;
- 22 (E) will maximize the useful life of any ret-
23 rofit technology used by the eligible entity; and

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

4 ~~(d) USE OF FUNDS.—~~

5 ~~(1) IN GENERAL.—~~An eligible entity may use a
 6 grant or loan provided under this section to fund the
 7 costs of—

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

14 ~~(i)~~ a bus;

15 ~~(ii)~~ a medium-duty truck or a heavy-
 16 duty truck;

17 ~~(iii)~~ a marine engine;

18 ~~(iv)~~ a locomotive; or

19 ~~(v)~~ a nonroad engine or vehicle used
 20 in—

21 ~~(I)~~ construction;

22 ~~(II)~~ handling of cargo (including
 23 at a port or airport);

24 ~~(III)~~ agriculture;

25 ~~(IV)~~ mining; or

1 (V) energy production; or

2 (B) an idle-reduction program involving a
3 vehicle or equipment described in subparagraph
4 (A).

5 (2) REGULATORY PROGRAMS.—

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

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

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

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

24 (b) APPLICATIONS.—The Administrator shall—

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

4 (A) the process and forms for applications;

5 (B) permissible uses of funds received; and

6 (C) the cost-effectiveness of various emis-
7 sion reduction technologies eligible to be carried
8 out using funds provided under this section;
9 and

10 (2) establish, for applications described in para-
11 graph (1)—

12 (A) an annual deadline for submission of
13 the applications;

14 (B) a process by which the Administrator
15 shall approve or disapprove each application;
16 and

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

20 (e) ALLOCATION OF FUNDS.—

21 (1) IN GENERAL.—For each fiscal year, the Ad-
22 ministrators shall allocate among States for which
23 applications are approved by the Administrator
24 under subsection (b)(2)(B) funds made available to
25 carry out this section for the fiscal year.

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

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

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

15 (i) the proportion that—

16 (I) the population of the State;
17 bears to

18 (II) the population of all States
19 described in paragraph (1); by

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

24 (3) STATE MATCHING INCENTIVE.—

1 (A) ~~IN GENERAL.~~—If a State agrees to
2 match the allocation provided to the State
3 under paragraph (2) for a fiscal year, the Ad-
4 ministrator shall provide to the State for the
5 fiscal year an additional amount equal to 50
6 percent of the allocation of the State under
7 paragraph (2).

8 (B) ~~REQUIREMENTS.~~—A State—

9 (i) may not use funds received under
10 this Act to pay a matching share required
11 under this subsection; and

12 (ii) shall not be required to provide a
13 matching share for any additional amount
14 received under subparagraph (A).

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

18 (d) ~~ADMINISTRATION.~~—

19 (1) ~~IN GENERAL.~~—Subject to paragraphs (2)
20 and (3) and, to the extent practicable, the priority
21 areas listed in section 3(c)(3), a State shall use any
22 funds provided under this section to develop and im-
23 plement such grant and low-cost revolving loan pro-
24 grams in the State as are appropriate to meet State

1 needs and goals relating to the reduction of diesel
2 emissions.

3 ~~(2)~~ APPORTIONMENT OF FUNDS.—The Gov-
4 ernor of a State that receives funding under this
5 section may determine the portion of funds to be
6 provided as grants or loans.

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

10 (A) a certified engine configuration; or

11 (B) a verified technology.

12 **SEC. 5. EVALUATION AND REPORT.**

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

17 (b) INCLUSIONS.—The report shall include a descrip-
18 tion of—

19 (1) the total number of grant applications re-
20 ceived;

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

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

1 (4) the estimated air quality benefits, cost-effec-
2 tiveness, and cost-benefits of the grant and loan pro-
3 grams under this Act;

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

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

9 **SEC. 6. OUTREACH AND INCENTIVES.**

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

12 (1) a verified technology; or

13 (2) an emerging technology.

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

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

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

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

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

23 (A) equipment owners and operators;

24 (B) emission control technology manufac-
25 turers;

- 1 (C) engine and equipment manufacturers;
- 2 (D) State and local officials responsible for
- 3 air quality management;
- 4 (E) community organizations; and
- 5 (F) public health and environmental orga-
- 6 nizations.

7 (c) STATE IMPLEMENTATION PLANS.—The Adminis-

8 trator shall develop appropriate guidance to provide credit

9 to a State for emission reductions in the State created

10 by the use of eligible technologies through a State imple-

11 mentation plan under section 110 of the Clean Air Act

12 (42 U.S.C. 7410).

13 (d) INTERNATIONAL MARKETS.—The Administrator,

14 in coordination with the Department of Commerce and in-

15 dustry stakeholders, shall inform foreign countries with

16 air quality problems of the potential of technology devel-

17 oped or used in the United States to provide emission re-

18 ductions in those countries.

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

20 Nothing in this Act affects any authority under the

21 Clean Air Act (42 U.S.C. 7401 et seq.) in existence on

22 the day before the date of enactment of this Act.

1 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

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

5 **SECTION 1. SHORT TITLE.**

6 *This Act may be cited as the “Diesel Emissions Reduc-*
7 *tion Act of 2005”.*

8 **SEC. 2. DEFINITIONS.**

9 *In this Act:*

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

13 (2) *CERTIFIED ENGINE CONFIGURATION.*—*The*
14 *term “certified engine configuration” means a new,*
15 *rebuilt, or remanufactured engine configuration—*

16 (A) *that has been certified or verified by—*

17 (i) *the Administrator; or*

18 (ii) *the California Air Resources*
19 *Board;*

20 (B) *that meets or is rebuilt or remanufac-*
21 *tured to a more stringent set of engine emission*
22 *standards, as determined by the Administrator;*
23 *and*

24 (C) *in the case of a certified engine configu-*
25 *ration involving the replacement of an existing*

1 *engine or vehicle, an engine configuration that*
 2 *replaced an engine that was—*

3 *(i) removed from the vehicle; and*

4 *(ii) returned to the supplier for re-*
 5 *manufacturing to a more stringent set of*
 6 *engine emissions standards or for*
 7 *scrappage.*

8 (3) *ELIGIBLE ENTITY.*—*The term “eligible enti-*
 9 *ty” means—*

10 *(A) a regional, State, local, or tribal agency*
 11 *or port authority with jurisdiction over trans-*
 12 *portation or air quality; and*

13 *(B) a nonprofit organization or institution*
 14 *that—*

15 *(i) represents or provides pollution re-*
 16 *duction or educational services to persons or*
 17 *organizations that own or operate diesel*
 18 *fleets; or*

19 *(ii) has, as its principal purpose, the*
 20 *promotion of transportation or air quality.*

21 (4) *EMERGING TECHNOLOGY.*—*The term “emerg-*
 22 *ing technology” means a technology that is not cer-*
 23 *tified or verified by the Administrator or the Cali-*
 24 *ifornia Air Resources Board but for which an approv-*
 25 *able application and test plan has been submitted for*

1 *verification to the Administrator or the California*
2 *Air Resources Board.*

3 (5) *FLEET.*—*The term “fleet” means 1 or more*
4 *diesel vehicles or mobile or stationary diesel engines.*

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

9 (7) *MEDIUM-DUTY TRUCK.*—*The term “medium-*
10 *duty truck” has such meaning as shall be determined*
11 *by the Administrator, by regulation.*

12 (8) *VERIFIED TECHNOLOGY.*—*The term “verified*
13 *technology” means a pollution control technology (in-*
14 *cluding a retrofit technology), advanced truckstop*
15 *electrification system, or auxiliary power unit that*
16 *has been verified by—*

17 (A) *the Administrator; or*

18 (B) *the California Air Resources Board.*

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

20 (a) *IN GENERAL.*—*The Administrator shall use 70*
21 *percent of the funds made available to carry out this Act*
22 *for each fiscal year to provide grants and low-cost revolving*
23 *loans, as determined by the Administrator, on a competitive*
24 *basis, to eligible entities to achieve significant reductions*
25 *in diesel emissions in terms of—*

1 (1) *tons of pollution produced; and*

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

5 **(b) DISTRIBUTION.—**

6 (1) *IN GENERAL.—The Administrator shall dis-*
 7 *tribute funds made available for a fiscal year under*
 8 *this Act in accordance with this section.*

9 (2) *FLEETS.—The Administrator shall provide*
 10 *not less than 50 percent of funds available for a fiscal*
 11 *year under this section to eligible entities for the ben-*
 12 *efit of public fleets.*

13 (3) *ENGINE CONFIGURATIONS AND TECH-*
 14 *NOLOGIES.—*

15 (A) *CERTIFIED ENGINE CONFIGURATIONS*
 16 *AND VERIFIED TECHNOLOGIES.—The Adminis-*
 17 *trator shall provide not less than 90 percent of*
 18 *funds available for a fiscal year under this sec-*
 19 *tion to eligible entities for projects using—*

20 (i) *a certified engine configuration; or*

21 (ii) *a verified technology.*

22 (B) *EMERGING TECHNOLOGIES.—*

23 (i) *IN GENERAL.—The Administrator*
 24 *shall provide not more than 10 percent of*
 25 *funds available for a fiscal year under this*

1 *section to eligible entities for the develop-*
2 *ment and commercialization of emerging*
3 *technologies.*

4 *(ii) APPLICATION AND TEST PLAN.—To*
5 *receive funds under clause (i), a manufac-*
6 *turer, in consultation with an eligible enti-*
7 *ty, shall submit for verification to the Ad-*
8 *ministrator or the California Air Resources*
9 *Board a test plan for the emerging tech-*
10 *nology, together with the application under*
11 *subsection (c).*

12 *(c) APPLICATIONS.—*

13 *(1) IN GENERAL.—To receive a grant or loan*
14 *under this section, an eligible entity shall submit to*
15 *the Administrator an application at a time, in a*
16 *manner, and including such information as the Ad-*
17 *ministrator may require.*

18 *(2) INCLUSIONS.—An application under this*
19 *subsection shall include—*

20 *(A) a description of the air quality of the*
21 *area served by the eligible entity;*

22 *(B) the quantity of air pollution produced*
23 *by the diesel fleets in the area served by the eligi-*
24 *ble entity;*

1 (C) a description of the project proposed by
2 the eligible entity, including—

3 (i) any certified engine configuration,
4 verified technology, or emerging technology
5 to be used or funded by the eligible entity;
6 and

7 (ii) the means by which the project will
8 achieve a significant reduction in diesel
9 emissions;

10 (D) an evaluation (using methodology ap-
11 proved by the Administrator or the National
12 Academy of Sciences) of the quantifiable and
13 unquantifiable benefits of the emissions reduc-
14 tions of the proposed project;

15 (E) an estimate of the cost of the proposed
16 project;

17 (F) a description of the age and expected
18 lifetime control of the equipment used or funded
19 by the eligible entity;

20 (G) a description of the diesel fuel available
21 in the areas served by the eligible entity, includ-
22 ing the sulfur content of the fuel; and

23 (H) provisions for the monitoring and
24 verification of the project.

1 (3) *PRIORITY.*—*In providing a grant or loan*
2 *under this section, the Administrator shall give pri-*
3 *ority to proposed projects that, as determined by the*
4 *Administrator—*

5 (A) *maximize public health benefits;*

6 (B) *are the most cost-effective;*

7 (C) *serve areas—*

8 (i) *with the highest population density;*

9 (ii) *that are poor air quality areas, in-*
10 *cluding areas identified by the Adminis-*
11 *trator as—*

12 (I) *in nonattainment or mainte-*
13 *nance of national ambient air quality*
14 *standards for a criteria pollutant;*

15 (II) *Federal Class I areas; or*

16 (III) *areas with toxic air pollut-*
17 *ant concerns;*

18 (iii) *that receive a disproportionate*
19 *quantity of air pollution from diesel fleets,*
20 *including ports, rail yards, truckstops, ter-*
21 *minals, and distribution centers; or*

22 (iv) *that use a community-based multi-*
23 *stakeholder collaborative process to reduce*
24 *toxic emissions;*

1 (D) include a certified engine configuration,
2 verified technology, or emerging technology that
3 has a long expected useful life;

4 (E) will maximize the useful life of any cer-
5 tified engine configuration, verified technology,
6 or emerging technology used by the eligible enti-
7 ty;

8 (F) conserve diesel fuel; and

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

12 (d) USE OF FUNDS.—

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

16 (A) a retrofit technology (including any in-
17 cremental costs of a repowered or new diesel en-
18 gine) that significantly reduces emissions
19 through development and implementation of a
20 certified engine configuration, verified tech-
21 nology, or emerging technology for—

22 (i) a bus;

23 (ii) a medium-duty truck or a heavy-
24 duty truck;

25 (iii) a marine engine;

1 (iv) a locomotive; or

2 (v) a nonroad engine or vehicle used

3 in—

4 (I) construction;

5 (II) handling of cargo (including

6 at a port or airport);

7 (III) agriculture;

8 (IV) mining; or

9 (V) energy production; or

10 (B) programs or projects to reduce long-du-
11 ration idling using verified technology involving
12 a vehicle or equipment described in subpara-
13 graph (A).

14 (2) REGULATORY PROGRAMS.—

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

20 (B) MANDATED.—For purposes of subpara-
21 graph (A), voluntary or elective emission reduc-
22 tion measures shall not be considered “man-
23 dated”, regardless of whether the reductions are
24 included in the State implementation plan of a
25 State.

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

2 (a) *IN GENERAL.*—Subject to the availability of ade-
3 quate appropriations, the Administrator shall use 30 per-
4 cent of the funds made available for a fiscal year under
5 this Act to support grant and loan programs administered
6 by States that are designed to achieve significant reductions
7 in diesel emissions.

8 (b) *APPLICATIONS.*—The Administrator shall—

9 (1) provide to States guidance for use in apply-
10 ing for grant or loan funds under this section, includ-
11 ing information regarding—

12 (A) the process and forms for applications;

13 (B) permissible uses of funds received; and

14 (C) the cost-effectiveness of various emission
15 reduction technologies eligible to be carried out
16 using funds provided under this section; and

17 (2) establish, for applications described in para-
18 graph (1)—

19 (A) an annual deadline for submission of
20 the applications;

21 (B) a process by which the Administrator
22 shall approve or disapprove each application;
23 and

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

1 (c) *ALLOCATION OF FUNDS.*—

2 (1) *IN GENERAL.*—For each fiscal year, the Ad-
3 ministrator shall allocate among States for which ap-
4 plications are approved by the Administrator under
5 subsection (b)(2)(B) funds made available to carry
6 out this section for the fiscal year.

7 (2) *ALLOCATION.*—Using not more than 20 per-
8 cent of the funds made available to carry out this Act
9 for a fiscal year, the Administrator shall provide to
10 each State described in paragraph (1) for the fiscal
11 year an allocation of funds that is equal to—

12 (A) if each of the 50 States qualifies for an
13 allocation, an amount equal to 2 percent of the
14 funds made available to carry out this section; or

15 (B) if fewer than 50 States qualifies for an
16 allocation, an amount equal to the amount de-
17 scribed in subparagraph (A), plus an additional
18 amount equal to the product obtained by multi-
19 plying—

20 (i) the proportion that—

21 (I) the population of the State;
22 bears to

23 (II) the population of all States
24 described in paragraph (1); by

1 (ii) the amount of funds remaining
2 after each State described in paragraph (1)
3 receives the 2-percent allocation under this
4 paragraph.

5 (3) *STATE MATCHING INCENTIVE.*—

6 (A) *IN GENERAL.*—If a State agrees to
7 match the allocation provided to the State under
8 paragraph (2) for a fiscal year, the Adminis-
9 trator shall provide to the State for the fiscal
10 year an additional amount equal to 50 percent
11 of the allocation of the State under paragraph
12 (2).

13 (B) *REQUIREMENTS.*—A State—

14 (i) may not use funds received under
15 this Act to pay a matching share required
16 under this subsection; and

17 (ii) shall not be required to provide a
18 matching share for any additional amount
19 received under subparagraph (A).

20 (4) *UNCLAIMED FUNDS.*—Any funds that are not
21 claimed by a State for a fiscal year under this sub-
22 section shall be used to carry out section 3.

23 (d) *ADMINISTRATION.*—

24 (1) *IN GENERAL.*—Subject to paragraphs (2) and
25 (3) and, to the extent practicable, the priority areas

1 *listed in section 3(c)(3), a State shall use any funds*
 2 *provided under this section to develop and implement*
 3 *such grant and low-cost revolving loan programs in*
 4 *the State as are appropriate to meet State needs and*
 5 *goals relating to the reduction of diesel emissions.*

6 (2) *APPORTIONMENT OF FUNDS.—The Governor*
 7 *of a State that receives funding under this section*
 8 *may determine the portion of funds to be provided as*
 9 *grants or loans.*

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

13 (A) *a certified engine configuration; or*

14 (B) *a verified technology.*

15 **SEC. 5. EVALUATION AND REPORT.**

16 (a) *IN GENERAL.—Not later than 1 year after the date*
 17 *on which funds are made first available under this Act, and*
 18 *biennially thereafter, the Administrator shall submit to*
 19 *Congress a report evaluating the implementation of the pro-*
 20 *grams under this Act.*

21 (b) *INCLUSIONS.—The report shall include a descrip-*
 22 *tion of—*

23 (1) *the total number of grant applications re-*
 24 *ceived;*

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

3 (3) *each project for which a grant or loan is pro-*
 4 *vided under this Act, including the criteria used to se-*
 5 *lect the grant or loan recipients;*

6 (4) *the actual and estimated air quality and die-*
 7 *sel fuel conservation benefits, cost-effectiveness, and*
 8 *cost-benefits of the grant and loan programs under*
 9 *this Act;*

10 (5) *the problems encountered by projects for*
 11 *which a grant or loan is provided under this Act; and*

12 (6) *any other information the Administrator*
 13 *considers to be appropriate.*

14 **SEC. 6. OUTREACH AND INCENTIVES.**

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

17 (1) *a verified technology; or*

18 (2) *an emerging technology.*

19 (b) *TECHNOLOGY TRANSFER PROGRAM.—*

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

22 (A) *informs stakeholders of the benefits of el-*
 23 *igible technologies; and*

24 (B) *develops nonfinancial incentives to pro-*
 25 *mote the use of eligible technologies.*

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

3 (A) *equipment owners and operators;*

4 (B) *emission and pollution control tech-*
5 *nology manufacturers;*

6 (C) *engine and equipment manufacturers;*

7 (D) *State and local officials responsible for*
8 *air quality management;*

9 (E) *community organizations; and*

10 (F) *public health, educational, and environ-*
11 *mental organizations.*

12 (c) *STATE IMPLEMENTATION PLANS.*—*The Adminis-*
13 *trator shall develop appropriate guidance to provide credit*
14 *to a State for emission reductions in the State created by*
15 *the use of eligible technologies through a State implementa-*
16 *tion plan under section 110 of the Clean Air Act (42 U.S.C.*
17 *7410).*

18 (d) *INTERNATIONAL MARKETS.*—*The Administrator,*
19 *in coordination with the Department of Commerce and in-*
20 *dustry stakeholders, shall inform foreign countries with air*
21 *quality problems of the potential of technology developed or*
22 *used in the United States to provide emission reductions*
23 *in those countries.*

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

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

5 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

6 *There is authorized to be appropriated to carry out*
7 *this Act \$200,000,000 for each of fiscal years 2007 through*
8 *2011, to remain available until expended.*

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1ST Session

S. 1265

[Report No. 109-133]

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.

SEPTEMBER 7, 2005

Reported with an amendment