

110TH CONGRESS  
1ST SESSION

# H. R. 2927

To increase the corporate average fuel economy standards for automobiles, to promote the domestic development and production of advanced technology vehicles, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2007

Mr. HILL (for himself, Mr. TERRY, Mr. BARROW, Mr. BROWN of South Carolina, Mr. RYAN of Wisconsin, Mr. ROSS, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To increase the corporate average fuel economy standards for automobiles, to promote the domestic development and production of advanced technology vehicles, and for other purposes.

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

3       **SECTION 1. AVERAGE FUEL ECONOMY STANDARDS FOR**  
4       **AUTOMOBILES.**

5       (a) INCREASED STANDARDS.—Section 32902 of title  
6       49, United States Code, is amended—

1           (1) by amending subsection (a) to read as fol-  
2       lows:

3       “(a) NON-PASSENGER AUTOMOBILES.—(1) Not later  
4       than 18 months before the beginning of each model year,  
5       the Secretary of Transportation shall prescribe by regula-  
6       tion average fuel economy standards for non-passenger  
7       automobiles manufactured by a manufacturer in that  
8       model year. Each standard prescribed under this para-  
9       graph shall be the maximum feasible average fuel economy  
10      level that the Secretary determines the manufacturers can  
11      achieve in that model year.

12      “(2) Each standard shall be expressed in terms of  
13      average miles per gallon of fuel and in terms of average  
14      grams per mile of carbon dioxide emissions, such that the  
15      specified average grams per mile of carbon dioxide emis-  
16      sions is equivalent to the average miles per gallon of fuel  
17      specified in the standard for that model year.

18      “(3) The Secretary may prescribe separate standards  
19      for different classes of automobiles under this subsection  
20      based on vehicle attributes pursuant to subsection (k).”;

21           (2) by amending subsection (b) to read as fol-  
22       lows:

23      “(b) PASSENGER AUTOMOBILES.—(1) Not later than  
24      18 months before the beginning of each model year, the  
25      Secretary of Transportation shall prescribe by regulation

1 average fuel economy standards for passenger automobiles  
2 manufactured by a manufacturer in that model year. Each  
3 standard prescribed under this paragraph shall be the  
4 maximum feasible average fuel economy level that the Sec-  
5 retary determines the manufacturers can achieve in that  
6 model year.

7 “(2) Each standard shall be expressed in terms of  
8 average miles per gallon of fuel and in terms of average  
9 grams per mile of carbon dioxide emissions, such that the  
10 specified average grams per mile of carbon dioxide emis-  
11 sions is equivalent in stringency to the average miles per  
12 gallon of fuel specified in the standard for that model year.

13 “(3) The Secretary may prescribe separate standards  
14 for different classes of passenger automobiles based on ve-  
15 hicle attributes pursuant to subsection (k).

16 “(4)(A) Notwithstanding any other provision of this  
17 section, for any model year in which the Secretary pre-  
18 scribes average fuel economy standards for passenger  
19 automobiles on the basis of vehicle attributes pursuant to  
20 subsection (k), the average fuel economy standard for pas-  
21 senger automobiles manufactured by a manufacturer in  
22 that model year shall also provide for an alternative min-  
23 imum standard that shall apply only to a manufacturer’s  
24 domestically manufactured passenger automobiles, as cal-

1 culated under section 32904 as in effect on June 24,  
2 2007.

3 “(B) The alternative minimum standard referred to  
4 in subparagraph (A) shall be the greater of—

5 “(i) 27.5 miles per gallon; or

6 “(ii) 92 percent of the average fuel economy  
7 projected by the Secretary for the combined domes-  
8 tic and foreign fleets manufactured for sale in the  
9 United States by all manufacturers in that model  
10 year, which projection shall be published in the Fed-  
11 eral Register when the standard for that model year  
12 is promulgated in accordance with this section.

13 “(C) The alternative minimum standard under this  
14 paragraph shall apply to a manufacturer’s domestically  
15 manufactured passenger automobiles only if the passenger  
16 automobile standard established on the basis of vehicle at-  
17 tributes pursuant to this subsection, excluding any credits  
18 transferred by the manufacturer pursuant to section  
19 32903(g) from other categories of automobiles described  
20 in such section, would allow that manufacturer to comply  
21 with a less stringent passenger automobile standard than  
22 the alternative minimum standard.”; and

23 (3) by amending subsection (c) to read as fol-  
24 lows:

1       “(c) AVERAGE FUEL ECONOMY FOR AUTOMOBILES  
2 AFTER 2021.—In prescribing standards under sub-  
3 sections (a) and (b), the Secretary shall prescribe separate  
4 average fuel economy standards for passenger automobiles  
5 and non-passenger automobiles such that—

6               “(1) the projected combined fuel economy aver-  
7 age for model year 2022 shall not be greater than  
8 35 miles per gallon; and

9               “(2) the projected combined fuel economy aver-  
10 age for model year 2022 and subsequent model  
11 years shall be not less than 32 miles per gallon,  
12 for the total fleet of automobiles manufactured for sale  
13 in the United States.”.

14       (b) AUTHORITY OF THE SECRETARY TO PRESCRIBE  
15 STANDARDS BASED ON VEHICLE ATTRIBUTES.—Section  
16 32902 of title 49, United States Code, is further amended  
17 by adding at the end the following:

18       “(k) AUTHORITY OF THE SECRETARY TO PRESCRIBE  
19 STANDARDS BASED ON VEHICLE ATTRIBUTES.—(1) In  
20 prescribing average fuel economy standards under this  
21 section, the Secretary may by regulation prescribe sepa-  
22 rate average fuel economy standards for passenger auto-  
23 mobiles and non-passenger automobiles based on vehicle  
24 attributes related to fuel economy, which includes carbon

1 efficiency for purposes of this chapter, and express the  
2 standards in the form of a mathematical function.

3       “(2) If the Secretary prescribes standards for pas-  
4 senger automobiles on the basis of vehicle attributes, the  
5 Secretary shall provide a transition period during the first  
6 3 model years in which an attribute-based standard would  
7 apply during which each manufacturer may elect whether  
8 to comply with the attribute-based standard or with the  
9 single corporate average fuel economy level prescribed  
10 under subsection (b).

11       “(1) The Secretary may prescribe regulations under  
12 this section establishing average fuel economy standards  
13 for automobiles for 1 or more consecutive model years, up  
14 to a maximum of 5 consecutive model years at one time.”.

15       (c) CREDIT TRANSFERRING WITHIN A MANUFAC-  
16 Turer’s FLEET.—Section 32903 of title 49, United  
17 States Code, is amended by adding at the end the fol-  
18 lowing:

19       “(g) CREDIT TRANSFERRING WITHIN A MANUFAC-  
20 Turer’s FLEET.—(1) The Secretary of Transportation  
21 shall establish by regulation a corporate average fuel econ-  
22 omy credit transferring program to allow any manufac-  
23 turer whose automobiles exceed any of the average fuel  
24 economy standards prescribed under section 32902 to  
25 transfer the credits earned under this section and to apply

1 such credits within that manufacturer's fleet to a compli-  
2 ance category of automobiles that fails to achieve the pre-  
3 scribed standards.

4       “(2) Credits transferred under this subsection are  
5 available to be used in the same model years that the man-  
6 ufacturer could have applied such credits under sub-  
7 sections (a), (b), (d), and (e), as well as for the model  
8 year in which the manufacturer earned such credits. The  
9 maximum increase in any compliance category attributable  
10 to transferred credits is 1.0 mile per gallon in any single  
11 model year.

12       “(3) In the case of transfers of credits to the category  
13 of automobiles described in paragraph (5)(B)(i), the  
14 transfer is limited to the extent that the fuel economy level  
15 of the manufacturer's fleet of passenger automobiles man-  
16 ufactured domestically shall comply with the provisions es-  
17 tablished under section 32902(b)(4), excluding any trans-  
18 fers from other categories of automobiles described in  
19 paragraph (5)(B).

20       “(4) A credit transferred in conformance with this  
21 subsection may only be so transferred if such credit is  
22 earned in model year 2010 or any subsequent model year.

23       “(5) As used in this subsection—

1           “(A) the term ‘fleet’ means all automobiles  
2           manufactured by a manufacturer in a particular  
3           model year; and

4           “(B) the term ‘compliance category of auto-  
5           mobiles’ means any of the 3 categories of auto-  
6           mobiles for which compliance is separately calculated  
7           under this chapter, namely—

8                   “(i) passenger automobiles manufactured  
9                   domestically;

10                   “(ii) passenger automobiles not manufac-  
11                   tured domestically; and

12                   “(iii) non-passenger automobiles.”.

13           (d) TECHNICAL AND CONFORMING AMENDMENTS.—  
14 Chapter 329 of title 49, United States Code, is amended—

15           (1) in section 32901(a)—

16                   (A) by redesignating paragraph (16) as  
17                   paragraph (17); and

18                   (B) by inserting after paragraph (15) the  
19                   following:

20                   “(16) ‘non-passenger automobile’ means an  
21                   automobile that is not a passenger automobile; and”;

22           (2) in section 32902—

23                   (A) in subsection (d)(1), by striking “or  
24                   (c)”;

25                   (B) in subsection (g)—

1 (i) in paragraph (1), by striking “sub-  
2 section (a) or (d)” both places it appears  
3 and inserting “subsection (a), (b), (c), or  
4 (d)”;

5 (ii) in paragraph (2), by striking  
6 “(and submit the amendment to Congress  
7 when required under subsection (c)(2) of  
8 this section)”; and

9 (C) in subsection (h), by inserting “(a),  
10 (b),” after “subsections”;

11 (D) in subsection (j), by striking “sub-  
12 section (a),” and inserting “subsection (a),  
13 (b),”;

14 (3) in section 32903—

15 (A) by striking “section 32902(b)–(d) of  
16 this title” each place it appears and inserting  
17 “subsection (a) through (d) of section 32902”;

18 (B) in subsection (a)—

19 (i) by striking “3 consecutive model  
20 years” each place it appears and inserting  
21 “5 consecutive model years”;

22 (ii) in paragraph (2), by striking  
23 “clause (1) of this subsection” and insert-  
24 ing “paragraph (1)”; and

25 (C) in subsection (b)—

1 (i) in paragraph (1), by striking  
 2 “paragraph (2) of this subsection” and in-  
 3 serting “paragraph (2) and subsection  
 4 (g)”; and

5 (ii) in paragraph (2), by striking “3  
 6 model years” and inserting “5 model  
 7 years”; and

8 (D) in subsection (e), by striking “auto-  
 9 mobiles that are not passenger automobiles”  
 10 and inserting “non-passenger automobiles”;

11 (4) in section 32904(a)(1)(B), by striking “sec-  
 12 tion 32902(b)–(d)” and inserting “subsections (b)  
 13 and (d) of section 32902”;

14 (5) in section 32909(b), by striking “, except  
 15 that a petition for review” and all that follows  
 16 through “referred to in section 32902(c)(2)”; and

17 (6) in section 32917(b)(1)(B), by striking “or  
 18 (c)”.

19 (e) EFFECTIVE DATE AND TRANSITION FROM EX-  
 20 ISTING STANDARDS.—

21 (1) IN GENERAL.—Except as provided in para-  
 22 graph (2), the amendments made by this section  
 23 shall take effect on the date of the enactment of this  
 24 Act.

1           (2) TRANSITION FOR PASSENGER AUTO-  
2           MOBILES.—The standard or standards for passenger  
3           automobiles under the authority of section 32902(b)  
4           of title 49, United States Code, in effect on the day  
5           before the date of the enactment of this Act, shall  
6           remain in effect until a standard for passenger auto-  
7           mobiles is prescribed pursuant to such section, as  
8           amended by this section.

9           (3) AVERAGE FUEL ECONOMY STANDARD FOR  
10          NON-PASSENGER AUTOMOBILES IN MODEL YEARS  
11          THROUGH 2011.—The average fuel economy standard  
12          for non-passenger automobiles, under the authority  
13          of section 32902(a) of title 49, United States Code,  
14          for model years through 2011, shall be the standard  
15          described in the final rule issued by the National  
16          Highway Traffic Safety Administration entitled “Av-  
17          erage Fuel Economy Standards for Light Trucks  
18          Model Years 2008–2011” (71 Fed. Reg. 17566), as  
19          amended in a notice published by the National High-  
20          way Traffic Safety Administration on April 14, 2006  
21          (71 Fed. Reg. 19449).

22          (f) CIVIL PENALTIES.—Section 32912 of title 49,  
23          United States Code, is amended by adding at the end the  
24          following:

1       “(e) FUND FOR DOMESTIC COMMERCIALIZATION  
2 AND PRODUCTION OF ADVANCED TECHNOLOGY VEHI-  
3 CLES AND COMPONENTS.—(1) There shall be established  
4 in the Treasury of the United States a separate account  
5 to fund domestic commercialization and production of ad-  
6 vanced technology vehicles and vehicle components. Civil  
7 penalties obtained under this section from any manufac-  
8 turer that violates a standard prescribed for a model year  
9 under section 32902 of this chapter shall be credited to  
10 the separate account.

11       “(2) Amounts in the separate account shall be avail-  
12 able, subject to annual appropriation, without regard to  
13 fiscal year limitation. Additional amounts may be appro-  
14 priated to the account.

15       “(3) The Secretary is authorized to make grants from  
16 the separate account to automobile manufacturers and  
17 component suppliers to pay a portion of the cost to reequip  
18 or expand an existing manufacturing facility in the United  
19 States to produce advanced technology vehicles or compo-  
20 nents.

21       “(4) The Secretary shall deposit at the end of each  
22 fiscal year, in the United States Treasury as miscellaneous  
23 receipts, amounts in the separate account that the Sec-  
24 retary decides are in excess of the needs of the account.  
25 The Secretary may carry over funds to the following fiscal

1 year, if the Secretary decides that the continued avail-  
 2 ability of the funds will be necessary to carry out the pur-  
 3 poses of this subsection.

4 “(5) The Secretary shall promulgate regulations im-  
 5 plementing this subsection in consultation with the Sec-  
 6 retary of Energy and the Administrator of the Environ-  
 7 mental Protection Agency.”.

8 **SEC. 2. TIRE FUEL EFFICIENCY CONSUMER INFORMATION.**

9 (a) IN GENERAL.—Chapter 323 of title 49, United  
 10 States Code, is amended by inserting after section 32304  
 11 the following new section:

12 **“§ 32304A. Tire Fuel Efficiency Consumer Informa-**  
 13 **tion**

14 “(a) RULEMAKING.—(1) Not later than 18 months  
 15 after the date of enactment of this section, the Secretary  
 16 of Transportation shall, after notice and opportunity for  
 17 comment, promulgate rules establishing a national tire  
 18 fuel efficiency consumer information program for replace-  
 19 ment tires designed for use on motor vehicles to educate  
 20 consumers about the effect of replacement tires on auto-  
 21 mobile fuel efficiency.

22 “(2) ITEMS INCLUDED IN RULE.—The rulemaking  
 23 shall include each of the following:

24 “(A) A national tire fuel efficiency rating sys-  
 25 tem for motor vehicle replacement tires to assist

1 consumers in making more educated tire purchasing  
2 decisions.

3 “(B) Requirements for providing information to  
4 consumers, including information at the point of sale  
5 of replacement tires and other potential information  
6 dissemination methods, including the internet.

7 “(C) Specifications for test methods for tire  
8 manufacturers to use in assessing and rating re-  
9 placement tires to avoid variation among test equip-  
10 ment and manufacturers.

11 “(D) A national tire maintenance consumer  
12 education program including, information on tire in-  
13 flation pressure, alignment, rotation, and tread wear  
14 to maximize fuel efficiency.

15 “(3) APPLICABILITY.—This section shall not apply to  
16 tires excluded from coverage under section 575.104(c)(2)  
17 of title 49, Code of Federal Regulations, as in effect on  
18 date of enactment of this section.

19 “(b) CONSULTATION.—The Secretary shall consult  
20 with the Secretary of Energy and the Administrator of  
21 the Environmental Protection Agency on the means of  
22 conveying tire fuel efficiency consumer information.

23 “(c) REPORT TO CONGRESS.—The Secretary shall  
24 conduct periodic assessments of the rules promulgated  
25 under this section to determine the utility of such rules

1 to consumers, the level of cooperation by industry, and the  
2 contribution to national goals pertaining to energy con-  
3 sumption. The Secretary shall transmit periodic reports  
4 detailing the findings of such assessments to the Com-  
5 mittee on Energy and Commerce of the House of Rep-  
6 resentatives and the Committee on Commerce, Science,  
7 and Transportation of the Senate.

8 “(d) PREEMPTION.—Nothing in this section shall  
9 prohibit a State or political subdivision of a State from  
10 enforcing a law or regulation on tire fuel efficiency con-  
11 sumer information in effect on January 1, 2006. When  
12 a requirement under this section is in effect, a State or  
13 political subdivision of a State may adopt or enforce a law  
14 or regulation on tire fuel efficiency consumer information  
15 enacted after January 1, 2006, only if the law or regula-  
16 tion is identical to that requirement. Nothing in this sec-  
17 tion shall be construed to preempt a State or political sub-  
18 division of a State from regulating the fuel efficiency of  
19 tires not otherwise preempted under this chapter.”.

20 (b) ENFORCEMENT.—Section 32308 of such chapter  
21 is amended by adding at the end the following:

22 “(e) SECTION 32304A.—Any person who fails to  
23 comply with the national tire fuel efficiency consumer in-  
24 formation program under section 32304A is liable to the

1 United States Government for a civil penalty of not more  
2 than \$50,000 for each violation.”.

3 (c) TABLE OF CONTENTS.—The table of contents for  
4 chapter 301 of title 49 is amended by adding the following  
5 new item after the item relating to section 32304:

“32304A. Tire fuel efficiency consumer information.”.

6 **SEC. 3. FUEL CONSERVATION EDUCATION PROGRAM.**

7 (a) PARTNERSHIP.—The Secretary of Transportation  
8 shall enter into a partnership with interested industry  
9 groups, including groups from the automotive, gasoline re-  
10 fining, and oil industries, and groups representing the  
11 public interest and consumers to establish a public edu-  
12 cation campaign that provides information to United  
13 States drivers about immediate measures that may be  
14 taken to conserve transportation fuel.

15 (b) ACCESSIBILITY.—The public information cam-  
16 paign under this section shall be targeted to reach the  
17 widest audience possible. The education campaign may in-  
18 clude television, print, Internet website, or any other  
19 method designed to maximize the dissemination of trans-  
20 portation fuel savings information to drivers.

21 (c) COST SHARING.—The Secretary shall provide no  
22 more than 50 percent of the cost of the campaign created  
23 under this section. The Secretary is authorized to accept  
24 private funds to augment funds made available under this  
25 subsection.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 are authorized to be appropriated to the Secretary of  
 3 Transportation such sums as may be necessary to carry  
 4 out this section.

5 **SEC. 4. EXTENSION OF MANUFACTURING CREDIT FOR AL-**  
 6 **TERNATIVE FUELED AUTOMOBILES.**

7 (a) EXTENSION OF ALTERNATIVE FUELED AUTO-  
 8 MOBILES MANUFACTURING INCENTIVE.—Section 32905  
 9 of title 49, United States Code, is amended—

10 (1) by striking “1993–2010’ ” each place it ap-  
 11 pears and inserting “1993 through 2020”;

12 (2) by striking subsections (f) and (g); and re-  
 13 designating subsection (h) as subsection (f); and

14 (3) by inserting after subsection (f) (as so re-  
 15 designated) the following:

16 “(g) DEFINITION.—For purposes of this section—

17 “(1) the term ‘dedicated automobile’ includes  
 18 an automobile that operates on diesel fuel blends  
 19 containing not less than 20 percent non-petroleum-  
 20 based fuel alternatives; and

21 “(2) the term ‘dual fueled automobile’ includes  
 22 an automobile warranted by the manufacturer of the  
 23 vehicle to operate on any combination of gasoline or  
 24 diesel fuel and on diesel fuel blends containing not

1 less than 20 percent non-petroleum based fuel alter-  
2 natives.”.

3 (b) EXTENSION OF MAXIMUM INCREASE PERIOD.—  
4 Section 32906(a) of title 49, United States Code, is  
5 amended—

6 (1) by striking “1993–2010” and inserting  
7 “1993 through 2020”;

8 (2) in paragraph (1)—

9 (A) in subparagraph (A), by striking  
10 “(A)”; and

11 (B) by striking subparagraph (B); and

12 (3) in paragraph (2), by striking “describ-  
13 ed—” and all that follows and inserting “is more  
14 than 1.2 miles per gallon, the limitation in para-  
15 graph (1) applies”.

○