

110TH CONGRESS
2D SESSION

H. R. 6868

To provide for the development of advanced and alternative energy and increased domestic energy production to achieve American energy independence in 15 years.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 2008

Mr. ROSKAM introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science and Technology, Natural Resources, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the development of advanced and alternative energy and increased domestic energy production to achieve American energy independence in 15 years.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Energy View Into Securing Independence for Our Nation
6 Act”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
 Sec. 2. Findings.

TITLE I—ENERGY VISION

- Sec. 101. Prize for development of an alternative fuel for aviation.
 Sec. 102. Prize for development of vehicle fuel efficiencies and alternative fuel sources with applications for surface transportation vehicles.
 Sec. 103. Grant for anti-idling power unit research program.
 Sec. 104. Extension and modification of credit for clean renewable energy bonds.
 Sec. 105. Reestablishing FutureGen to develop a clean coal power plant and advance carbon sequestration.
 Sec. 106. Funding for research and development.
 Sec. 107. Various tax extenders and new credits.
 Sec. 108. Extension and modification of renewable energy production tax credit.
 Sec. 109. Extension and modification of residential energy efficient property credit.
 Sec. 110. Extension and modification of credit for energy efficiency improvements to existing homes.
 Sec. 111. Extension and modification of tax credit for energy efficient new homes.
 Sec. 112. Energy Frontier Research Centers.
 Sec. 113. Energy Vision Commission.
 Sec. 114. Automobile efficiency upgrade credit.

TITLE II—FUNDING THROUGH DOMESTIC PRODUCTION

- Sec. 201. Energy VISION Fund.

Subtitle A—Outer Continental Shelf

- Sec. 211. Terminating laws prohibiting Federal spending for Outer Continental Shelf leasing activities.
 Sec. 212. Revocation of existing Presidential withdrawals.
 Sec. 213. Revocation of existing Presidential authority.
 Sec. 214. Availability of certain areas for leasing.

Subtitle B—Drilling for Energy in the Arctic Now

- Sec. 221. Definitions.
 Sec. 222. Leasing program for lands within the Coastal Plain.
 Sec. 223. Lease sales.
 Sec. 224. Grant of leases by the Secretary.
 Sec. 225. Lease terms and conditions.
 Sec. 226. Coastal Plain environmental protection.
 Sec. 227. Expedited judicial review.
 Sec. 228. Federal and State distribution of revenues.
 Sec. 229. Rights-of-way across the Coastal Plain.
 Sec. 230. Conveyance.
 Sec. 231. Local government impact aid and community service assistance.

Subtitle C—Nuclear Energy

Sec. 241. Short title.

Sec. 242. Hearings under Atomic Energy Act of 1954.

Subtitle D—Coal-To-Liquids

Sec. 251. Standby loans for qualifying coal-to-liquids projects.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) the United States possesses the capability of
4 innovation and sufficient domestic resources to
5 achieve energy independence in 15 years;

6 (2) Americans are paying on average nearly \$4
7 per gallon of gasoline, near the highest average price
8 in American history;

9 (3) some foreign countries are using control
10 measures to hold prices artificially low for their con-
11 sumers;

12 (4) the countries employing such controls rep-
13 resent more than 40 percent of world demand for
14 oil;

15 (5) increased prices have the effect of damp-
16 ening demand, as has been seen in the United States
17 over the past year;

18 (6) consumers in foreign countries with price
19 controls on retail gasoline currently are not able to
20 appreciate the true cost of gasoline;

21 (7) the removal of price controls in foreign
22 countries would have the effect of allowing con-

1 sumers in those countries to realize the worldwide
2 market pressure of their demand;

3 (8) decreased demand worldwide would have the
4 effect of decreasing upward price pressures on the
5 finite world supply of oil;

6 (9) price controls on retail gasoline in other for-
7 eign countries are increasing the burden of energy
8 prices on American families; and

9 (10) the Congress should consider the existence
10 of artificially low prices for retail gasoline in foreign
11 countries when formulating legislation regarding the
12 energy policy of the United States.

13 **TITLE I—ENERGY VISION**

14 **SEC. 101. PRIZE FOR DEVELOPMENT OF AN ALTERNATIVE** 15 **FUEL FOR AVIATION.**

16 (a) IN GENERAL.—The Secretary of Energy shall
17 consult with the Secretary of Transportation and the Di-
18 rector of the National Science Foundation to facilitate a
19 competition to develop a direct drop-in replacement fuel
20 for aviation.

21 (b) ANNOUNCEMENT; REGULATION.—The Secretary
22 shall announce the competition in the Federal Register
23 and shall by regulation facilitate the competition, includ-
24 ing provision for—

25 (1) criteria to evaluate applicants, including—

1 (A) the potential for reducing our reliance
2 on foreign sources of energy;

3 (B) reducing emissions;

4 (C) providing enhanced stability to the air-
5 line industry; and

6 (D) reducing fuel costs;

7 (2) a prize of \$177,600,000 for the develop-
8 ment of a direct drop-in replacement fuel for com-
9 mercial aviation;

10 (3) as many as five other smaller prizes as the
11 Secretary determines to reward, with a collective
12 value of no more than \$100,000,000 for—

13 (A) advancements in technologies, compo-
14 nents, and systems;

15 (B) prototypes; or

16 (C) transformational changes in tech-
17 nology;

18 (4) a panel of 5 expert judges who have no fi-
19 nancial interest in, and are not an employee, officer,
20 director, or agent of, and who have no familial rela-
21 tions with, any contestant;

22 (5) contestants to be private individuals that
23 are citizens or resident aliens, or private entities
24 that are incorporated and maintain a primary place
25 of business in the United States;

1 (6) the protection of the intellectual property of
2 contestants; and

3 (7) the protection of the Federal Government
4 from liability claims.

5 (c) PARTICIPATION.—The Secretary shall widely ad-
6 vertise the competition to encourage participation by indi-
7 viduals, academia, and industry.

8 (d) REPORTS.—The Secretary shall report annually
9 to Congress on—

10 (1) any prizes that have been awarded;

11 (2) the identity of prize winners;

12 (3) the technology that has won a prize; and

13 (4) the actions that are being taken toward
14 commercial application of the technology.

15 (e) DEFINITION.—For purposes of this section, the
16 term “direct drop-in replacement fuel” means a fuel that
17 can be immediately used as an alternative to current con-
18 ventional aviation fuel, without requiring adjustments to
19 the engines or distribution infrastructure.

20 **SEC. 102. PRIZE FOR DEVELOPMENT OF VEHICLE FUEL EF-**
21 **FICIENCIES AND ALTERNATIVE FUEL**
22 **SOURCES WITH APPLICATIONS FOR SURFACE**
23 **TRANSPORTATION VEHICLES.**

24 (a) IN GENERAL.—The Secretary of Energy shall
25 consult with the Secretary of Transportation and the Di-

1 rector of the National Science Foundation to facilitate a
2 competition to develop a prototype and manufacturing
3 plan for a plug-in hybrid vehicle, alternative fuel vehicle,
4 electric vehicle, hydrogen fuel cell vehicle, or other alter-
5 native technology vehicle.

6 (b) ANNOUNCEMENT; REGULATION.—The Secretary
7 shall announce the competition in the Federal Register
8 and shall by regulation facilitate the competition, includ-
9 ing provision for—

10 (1) criteria to evaluate applicants, including—

11 (A) the potential for reducing our reliance
12 on foreign sources of energy;

13 (B) reducing emissions;

14 (C) reducing fuel costs;

15 (D) a vehicle that is not more than 10 per-
16 cent more expensive than a comparable model
17 vehicle of the same model year, with—

18 (i) equal acceleration, horsepower, and
19 top speed performance; and

20 (ii) not more than 20 percent reduc-
21 tion in cargo space, as compared to a com-
22 parable model vehicle of the same model
23 year;

24 (E) a vehicle that meets or exceeds Federal
25 safety standards;

1 (F) a vehicle that can travel at least 750
2 miles between refueling; and

3 (G) possibility of wide commercial applica-
4 tion, not hindered by lack of refueling infra-
5 structure;

6 (2) a prize of \$177,600,000 for the prototype
7 and manufacturing plan;

8 (3) as many as five other smaller prizes as the
9 Secretary determines to reward, with a collective
10 value of no more than \$100,000,000 for—

11 (A) advancements in technologies, compo-
12 nents, and systems;

13 (B) prototypes; or

14 (C) transformational changes in tech-
15 nology;

16 (4) a panel of 5 expert judges who have no fi-
17 nancial interest in, and are not an employee, officer,
18 director, or agent of, and who have no familial rela-
19 tions with, any contestant;

20 (5) contestants to be private individuals that
21 are citizens or resident aliens, or private entities
22 that are incorporated and maintain a primary place
23 of business in the United States;

24 (6) the protection of the intellectual property of
25 contestants; and

1 (7) the protection of the Federal Government
2 from liability claims.

3 (c) PARTICIPATION.—The Secretary shall widely ad-
4 vertise the competition to encourage participation by indi-
5 viduals, academia, and industry.

6 (d) REPORTS.—The Secretary shall report annually
7 to Congress on—

8 (1) any prizes that have been awarded;

9 (2) the identity of prize winners;

10 (3) the technology that has won a prize; and

11 (4) the actions that are being taken toward
12 commercial application of the technology.

13 **SEC. 103. GRANT FOR ANTI-IDLING POWER UNIT RESEARCH**
14 **PROGRAM.**

15 (a) GRANT.—The Secretary of Transportation may
16 make a grant to an eligible grantee to establish and oper-
17 ate an anti-idling power unit research program described
18 in subsection (b).

19 (b) DESCRIPTION.—An anti-idling power unit re-
20 search program for which a grant may be made under this
21 section shall be designed—

22 (1) to develop an alternative fuel-powered solid
23 oxide fuel cell power system;

1 (2) to demonstrate uses of compressed natural
2 gas, liquefied natural gas, liquefied petroleum gas,
3 hydrogen, and ethanol as alternative fuels;

4 (3) to optimize the use of fuel cell power sys-
5 tems that are capable of being retrofitted into exist-
6 ing vehicles and incorporated into new vehicle de-
7 signs;

8 (4) to facilitate commercial uses of fuel cell
9 power systems in vehicles, such as long-haul trucks,
10 transit vehicles, and school buses;

11 (5) to reduce the Nation’s dependence on im-
12 ported transportation fuels and improve environ-
13 mental quality;

14 (6) to encourage further development of the
15 fuel cell industry;

16 (7) to develop technology to use alternative
17 fuels in place of diesel fuel; and

18 (8) to reduce greenhouse gas emissions and en-
19 ergy consumption currently attributed to idling of
20 commercial vehicles.

21 (c) ELIGIBLE GRANTEE.—In this section, the term
22 “eligible grantee” means an organization that—

23 (1) is described in section 501(c)(3) of the In-
24 ternal Revenue Code of 1986 and exempt from tax-
25 ation under section 501(a) of such Code;

1 (2) has performed energy-related research or
2 energy-related research support activities; and

3 (3) owns and maintains a state-of-the-art en-
4 ergy research facility.

5 (d) APPLICATION.—To be eligible to receive a grant
6 under this section, an eligible grantee shall submit an ap-
7 plication to the Secretary at such time, in such manner,
8 and containing such information as the Secretary may re-
9 quire.

10 (e) REPORTS.—At least once a year, the Secretary
11 shall submit a report on the projects undertaken and ad-
12 vancements made by the eligible grantee to which a grant
13 is made under this section to the Committee on Transpor-
14 tation and Infrastructure of the House of Representatives
15 and the Committee on Commerce, Science, and Transpor-
16 tation of the Senate.

17 (f) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) IN GENERAL.—There is authorized to be
19 appropriated \$5,000,000 for each of the fiscal years
20 2009 to 2011 to carry out a grant under this sec-
21 tion.

22 (2) AVAILABILITY.—Amounts appropriated pur-
23 suant to the authorization of appropriations under
24 paragraph (1) are authorized to remain available
25 until expended.

1 **SEC. 104. EXTENSION AND MODIFICATION OF CREDIT FOR**
2 **CLEAN RENEWABLE ENERGY BONDS.**

3 (a) EXTENSION.—Section 54(m) of the Internal Rev-
4 enue Code of 1986 (relating to termination) is amended
5 by striking “December 31, 2008” and inserting “Decem-
6 ber 31, 2009”.

7 (b) INCREASE IN NATIONAL LIMITATION.—Section
8 54(f) of such Code (relating to limitation on amount of
9 bonds designated) is amended—

10 (1) by inserting “, and for the period beginning
11 after the date of the enactment of the Energy View
12 Into Securing Independence for Our Nation Act and
13 ending before January 1, 2010, \$400,000,000” after
14 “\$1,200,000,000” in paragraph (1),

15 (2) by striking “\$750,000,000 of the” in para-
16 graph (2) and inserting “\$750,000,000 of the
17 \$1,200,000,000”, and

18 (3) by striking “bodies” in paragraph (2) and
19 inserting “bodies, and except that the Secretary may
20 not allocate more than $\frac{1}{3}$ of the \$400,000,000 na-
21 tional clean renewable energy bond limitation to fi-
22 nance qualified projects of qualified borrowers which
23 are public power providers nor more than $\frac{1}{3}$ of such
24 limitation to finance qualified projects of qualified
25 borrowers which are mutual or cooperative electric

1 companies described in section 501(c)(12) or section
2 1381(a)(2)(C)”.

3 (c) PUBLIC POWER PROVIDERS DEFINED.—Section
4 54(j) of such Code is amended—

5 (1) by adding at the end the following new
6 paragraph:

7 “(6) PUBLIC POWER PROVIDER.—The term
8 ‘public power provider’ means a State utility with a
9 service obligation, as such terms are defined in sec-
10 tion 217 of the Federal Power Act (as in effect on
11 the date of the enactment of this paragraph).”, and

12 (2) by inserting “; PUBLIC POWER PROVIDER”
13 before the period at the end of the heading.

14 (d) TECHNICAL AMENDMENT.—The third sentence of
15 section 54(e)(2) of such Code is amended by striking
16 “subsection (l)(6)” and inserting “subsection (l)(5)”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to bonds issued after the date of
19 the enactment of this Act.

20 **SEC. 105. REESTABLISHING FUTUREGEN TO DEVELOP A**
21 **CLEAN COAL POWER PLANT AND ADVANCE**
22 **CARBON SEQUESTRATION.**

23 (a) FEDERAL CONTRIBUTION.—The Secretary shall
24 reestablish a Federal contribution to the FutureGen

1 project to develop carbon sequestration technology and
2 build a near-zero emissions fossil fuel power plant.

3 (b) EMISSIONS; STORAGE.—The Secretary, through
4 the project, shall also seek to identify useful applications
5 for the emissions in addition to developing a means for
6 storage.

7 (c) DEFINITIONS.—For purposes of this Act—

8 (1) the term “Federal contribution” includes
9 technical assistance and financial assistance; and

10 (2) the term “FutureGen project” means—

11 (A) the initiative first announced by Presi-
12 dent George W. Bush on February 27, 2003, to
13 build the world’s first integrated sequestration
14 and hydrogen production research power plant;
15 and

16 (B) the site of Mattoon, Illinois, which the
17 FutureGen Alliance selected on December 18,
18 2007, as the final site for the near zero-emis-
19 sions fossil fuel power plant.

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated to the Secretary for car-
22 rying out this section \$2,000,000,000.

1 **SEC. 106. FUNDING FOR RESEARCH AND DEVELOPMENT.**

2 Amounts in the Energy Vision Fund established
3 under section 202 shall be used, to the extent provided
4 in appropriations acts, to carry out—

5 (1) oil shale, tar sands, and other strategic un-
6 conventional fuels research and development under
7 section 369 of the Energy Policy Act of 2005 (42
8 U.S.C. 15927);

9 (2) solar and wind technology research and de-
10 velopment under section 812 of the Energy Policy
11 Act of 2005 (42 U.S.C. 16161);

12 (3) renewable energy research and development
13 under section 931 of the Energy Policy Act of 2005
14 (42 U.S.C. 16231);

15 (4) innovative technologies incentives under title
16 XVII of the Energy Policy Act of 2005 (42 U.S.C.
17 16511 et seq.);

18 (5) geothermal energy research and develop-
19 ment under subtitle B of title VI of the Energy
20 Independence and Security Act of 2007 (42 U.S.C.
21 17191 et seq.); and

22 (6) energy storage research and development
23 under section 641 of the Energy Independence and
24 Security Act of 2007 (42 U.S.C. 17231).

25 **SEC. 107. VARIOUS TAX EXTENDERS AND NEW CREDITS.**

26 (a) CREDIT FOR BI-FUEL VEHICLE PROPERTY.—

1 (1) IN GENERAL.—Subsection (a) of section
2 30B of the Internal Revenue Code of 1986 is
3 amended by striking “and” at the end of paragraph
4 (3), by striking the period at the end of paragraph
5 (4) and inserting “, and”, and by inserting after
6 paragraph (4) the following new paragraph:

7 “(5) the bi-fuel vehicle property credit deter-
8 mined under subsection (f).”.

9 (2) BI-FUEL VEHICLE PROPERTY.—Section
10 30B of such Code is amended by redesignating sub-
11 sections (f) through (j) as subsections (g) through
12 (k), respectively, and inserting after subsection (e)
13 the following new subsection:

14 “(f) BI-FUEL VEHICLE PROPERTY CREDIT.—

15 “(1) IN GENERAL.—For purposes of subsection
16 (a), the bi-fuel vehicle property credit determined
17 under this subsection for the taxable year is an
18 amount equal to the applicable percentage of the
19 cost of qualified bi-fuel vehicle property placed in
20 service by a qualified taxpayer during the taxable
21 year, and is available only for one bi-fuel vehicle
22 property per vehicle identification number (as de-
23 fined in section 33110 of title 49, United States
24 Code).

1 “(2) LIMITATION.—The credit determined
2 under this subsection shall not exceed \$10,000.

3 “(3) APPLICABLE PERCENTAGE.—For purposes
4 of paragraph (1), the applicable percentage with re-
5 spect to any qualified bi-fuel vehicle property is 50
6 percent, if such property—

7 “(A) has received a certificate of con-
8 formity under the Clean Air Act and meets or
9 exceeds the most stringent standard available
10 for certification under the Clean Air Act for
11 that property (other than a zero emission
12 standard), or

13 “(B) has received an order certifying the
14 vehicle as meeting the same requirements as ve-
15 hicles which may be sold or leased in California
16 and meets or exceeds the most stringent stand-
17 ard available for certification under the State
18 laws of California (enacted in accordance with
19 a waiver granted under section 209(b) of the
20 Clean Air Act) for that property (other than a
21 zero emission standard).

22 “(4) QUALIFIED BI-FUEL VEHICLE PROP-
23 erty.—For purposes of paragraph (1), the term ‘bi-
24 fuel vehicle property’ means property added to a
25 motor vehicle that uses conventional gasoline or die-

1 sel as its fuel to allow the engine of such vehicle to
2 operate on either conventional gasoline fuel or an-
3 other alternative fuel.

4 “(5) ALTERNATIVE FUEL.—For purposes of
5 paragraph (4), the term ‘alternative fuel’ means
6 compressed natural gas, liquefied natural gas, lique-
7 fied petroleum gas, and hydrogen.

8 “(6) QUALIFIED TAXPAYER.—For purposes of
9 paragraph (1), the term ‘qualified taxpayer’ means
10 a State or political subdivision thereof, possession of
11 the United States, or any agency or instrumentality
12 of any of the foregoing.”.

13 (3) CONFORMING AMENDMENTS.—Section
14 30B(h)(6) of such Code is amended—

15 (A) by striking “vehicle” each place it ap-
16 pears and inserting “property”, and

17 (B) by adding at the end of the following
18 new sentence: “For purposes of this paragraph,
19 the term ‘property’ means a vehicle or bi-fuel
20 vehicle property.”.

21 **SEC. 108. EXTENSION AND MODIFICATION OF RENEWABLE**
22 **ENERGY PRODUCTION TAX CREDIT.**

23 (a) EXTENSION OF CREDIT.—Each of the following
24 provisions of section 45(d) of the Internal Revenue Code
25 of 1986 (relating to qualified facilities) is amended by

1 striking “January 1, 2009” and inserting “January 1,
2 2010”:

3 (1) Paragraph (1).

4 (2) Clauses (i) and (ii) of paragraph (2)(A).

5 (3) Clauses (i)(I) and (ii) of paragraph (3)(A).

6 (4) Paragraph (4).

7 (5) Paragraph (5).

8 (6) Paragraph (6).

9 (7) Paragraph (7).

10 (8) Paragraph (8).

11 (9) Subparagraphs (A) and (B) of paragraph
12 (9).

13 (b) EFFECTIVE DATES.—The amendments made by
14 subsection (a) shall apply to property originally placed in
15 service after December 31, 2008.

16 **SEC. 109. EXTENSION AND MODIFICATION OF RESIDENTIAL**
17 **ENERGY EFFICIENT PROPERTY CREDIT.**

18 (a) EXTENSION.—Section 25D(g) of the Internal
19 Revenue Code of 1986 (relating to termination) is amend-
20 ed by striking “December 31, 2008” and inserting “De-
21 cember 31, 2009”.

22 (b) NO DOLLAR LIMITATION FOR CREDIT FOR
23 SOLAR ELECTRIC PROPERTY.—

24 (1) IN GENERAL.—Section 25D(b)(1) of such
25 Code (relating to maximum credit) is amended by

1 striking subparagraph (A) and by redesignating sub-
2 paragraphs (B) and (C) as subparagraphs (A) and
3 (B), respectively.

4 (2) CONFORMING AMENDMENTS.—Section
5 25D(e)(4) of such Code is amended—

6 (A) by striking clause (i) in subparagraph
7 (A),

8 (B) by redesignating clauses (ii) and (iii)
9 in subparagraph (A) as clauses (i) and (ii), re-
10 spectively, and

11 (C) by striking “, (2),” in subparagraph
12 (C).

13 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
14 IMUM TAX.—

15 (1) IN GENERAL.—Subsection (c) of section
16 25D of such Code is amended to read as follows:

17 “(c) LIMITATION BASED ON AMOUNT OF TAX;
18 CARRYFORWARD OF UNUSED CREDIT.—

19 “(1) LIMITATION BASED ON AMOUNT OF
20 TAX.—In the case of a taxable year to which section
21 26(a)(2) does not apply, the credit allowed under
22 subsection (a) for the taxable year shall not exceed
23 the excess of—

1 “(A) the sum of the regular tax liability
2 (as defined in section 26(b)) plus the tax im-
3 posed by section 55, over

4 “(B) the sum of the credits allowable
5 under this subpart (other than this section) and
6 section 27 for the taxable year.

7 “(2) CARRYFORWARD OF UNUSED CREDIT.—

8 “(A) RULE FOR YEARS IN WHICH ALL
9 PERSONAL CREDITS ALLOWED AGAINST REG-
10 ULAR AND ALTERNATIVE MINIMUM TAX.—In
11 the case of a taxable year to which section
12 26(a)(2) applies, if the credit allowable under
13 subsection (a) exceeds the limitation imposed by
14 section 26(a)(2) for such taxable year reduced
15 by the sum of the credits allowable under this
16 subpart (other than this section), such excess
17 shall be carried to the succeeding taxable year
18 and added to the credit allowable under sub-
19 section (a) for such succeeding taxable year.

20 “(B) RULE FOR OTHER YEARS.—In the
21 case of a taxable year to which section 26(a)(2)
22 does not apply, if the credit allowable under
23 subsection (a) exceeds the limitation imposed by
24 paragraph (1) for such taxable year, such ex-
25 cess shall be carried to the succeeding taxable

1 year and added to the credit allowable under
2 subsection (a) for such succeeding taxable
3 year.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 23(b)(4)(B) of such Code is
6 amended by inserting “and section 25D” after
7 “this section”.

8 (B) Section 24(b)(3)(B) of such Code is
9 amended by striking “and 25B” and inserting
10 “, 25B, and 25D”.

11 (C) Section 25B(g)(2) of such Code is
12 amended by striking “section 23” and inserting
13 “sections 23 and 25D”.

14 (D) Section 26(a)(1) of such Code is
15 amended by striking “and 25B” and inserting
16 “25B, and 25D”.

17 (d) EFFECTIVE DATE.—

18 (1) IN GENERAL.—The amendments made by
19 this section shall apply to taxable years beginning
20 after December 31, 2007.

21 (2) APPLICATION OF EGTRRA SUNSET.—The
22 amendments made by subparagraphs (A) and (B) of
23 subsection (c)(2) shall be subject to title IX of the
24 Economic Growth and Tax Relief Reconciliation Act

1 of 2001 in the same manner as the provisions of
2 such Act to which such amendments relate.

3 **SEC. 110. EXTENSION AND MODIFICATION OF CREDIT FOR**
4 **ENERGY EFFICIENCY IMPROVEMENTS TO EX-**
5 **ISTING HOMES.**

6 (a) EXTENSION OF CREDIT.—Section 25C(g) of the
7 Internal Revenue Code of 1986 (relating to termination)
8 is amended by striking “December 31, 2007” and insert-
9 ing “December 31, 2009”.

10 (b) QUALIFIED BIOMASS FUEL PROPERTY.—

11 (1) IN GENERAL.—Section 25C(d)(3) of such
12 Code is amended—

13 (A) by striking “and” at the end of sub-
14 paragraph (D),

15 (B) by striking the period at the end of
16 subparagraph (E) and inserting “, and”, and

17 (C) by adding at the end the following new
18 subparagraph:

19 “(F) a stove which uses the burning of bio-
20 mass fuel to heat a dwelling unit located in the
21 United States and used as a residence by the
22 taxpayer, or to heat water for use in such a
23 dwelling unit, and which has a thermal effi-
24 ciency rating of at least 75 percent.”.

1 (2) BIOMASS FUEL.—Section 25C(d) of such
2 Code (relating to residential energy property expend-
3 itures) is amended by adding at the end the fol-
4 lowing new paragraph:

5 “(6) BIOMASS FUEL.—The term ‘biomass fuel’
6 means any plant-derived fuel available on a renew-
7 able or recurring basis, including agricultural crops
8 and trees, wood and wood waste and residues (in-
9 cluding wood pellets), plants (including aquatic
10 plants), grasses, residues, and fibers.”.

11 (c) MODIFICATIONS OF STANDARDS FOR ENERGY-
12 EFFICIENT BUILDING PROPERTY.—

13 (1) ELECTRIC HEAT PUMPS.—Subparagraph
14 (B) of section 25C(d)(3) of such Code is amended
15 to read as follows:

16 “(A) an electric heat pump which achieves
17 the highest efficiency tier established by the
18 Consortium for Energy Efficiency, as in effect
19 on January 1, 2008.”.

20 (2) CENTRAL AIR CONDITIONERS.—Section
21 25C(d)(3)(D) of such Code is amended by striking
22 “2006” and inserting “2008”.

23 (3) WATER HEATERS.—Subparagraph (E) of
24 section 25C(d) of such Code is amended to read as
25 follows:

1 “(E) a natural gas, propane, or oil water
2 heater which has either an energy factor of at
3 least 0.80 or a thermal efficiency of at least 90
4 percent.”.

5 (4) OIL FURNACES AND HOT WATER BOIL-
6 ERS.—Paragraph (4) of section 25C(d) of such Code
7 is amended to read as follows:

8 “(4) QUALIFIED NATURAL GAS, PROPANE, AND
9 OIL FURNACES AND HOT WATER BOILERS.—

10 “(A) QUALIFIED NATURAL GAS FUR-
11 NACE.—The term ‘qualified natural gas fur-
12 nace’ means any natural gas furnace which
13 achieves an annual fuel utilization efficiency
14 rate of not less than 95.

15 “(B) QUALIFIED NATURAL GAS HOT
16 WATER BOILER.—The term ‘qualified natural
17 gas hot water boiler’ means any natural gas hot
18 water boiler which achieves an annual fuel utili-
19 zation efficiency rate of not less than 90.

20 “(C) QUALIFIED PROPANE FURNACE.—
21 The term ‘qualified propane furnace’ means any
22 propane furnace which achieves an annual fuel
23 utilization efficiency rate of not less than 95.

24 “(D) QUALIFIED PROPANE HOT WATER
25 BOILER.—The term ‘qualified propane hot

1 water boiler’ means any propane hot water boil-
2 er which achieves an annual fuel utilization effi-
3 ciency rate of not less than 90.

4 “(E) QUALIFIED OIL FURNACES.—The
5 term ‘qualified oil furnace’ means any oil fur-
6 nace which achieves an annual fuel utilization
7 efficiency rate of not less than 90.

8 “(F) QUALIFIED OIL HOT WATER BOIL-
9 ER.—The term ‘qualified oil hot water boiler’
10 means any oil hot water boiler which achieves
11 an annual fuel utilization efficiency rate of not
12 less than 90.”.

13 (d) EFFECTIVE DATE.—The amendments made this
14 section shall apply to expenditures made after December
15 31, 2007.

16 **SEC. 111. EXTENSION AND MODIFICATION OF TAX CREDIT**
17 **FOR ENERGY EFFICIENT NEW HOMES.**

18 (a) EXTENSION OF CREDIT.—Subsection (g) of sec-
19 tion 45L of the Internal Revenue Code of 1986 (relating
20 to termination) is amended by striking “December 31,
21 2008” and inserting “December 31, 2010”.

22 (b) ALLOWANCE FOR CONTRACTOR’S PERSONAL
23 RESIDENCE.—Subparagraph (B) of section 45L(a)(1) of
24 such Code is amended to read as follows:

1 “(B)(i) acquired by a person from such eli-
2 gible contractor and used by any person as a
3 residence during the taxable year, or

4 “(ii) used by such eligible contractor as a
5 residence during the taxable year.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to homes acquired after December
8 31, 2008.

9 **SEC. 112. ENERGY FRONTIER RESEARCH CENTERS.**

10 There are authorized to be appropriated to the Sec-
11 retary of Energy for Energy Frontier Research Centers
12 for activities to accelerate the rate of scientific break-
13 throughs needed to create advanced energy technologies
14 for the 21st century \$100,000,000 for each of the fiscal
15 years 2009 through 2013.

16 **SEC. 113. ENERGY VISION COMMISSION.**

17 (a) ESTABLISHMENT.—There shall be established the
18 Energy View Into Securing Independence for Our Nation
19 (VISION) Commission.

20 (b) FUNCTIONS.—The Commission shall—

21 (1) not later than 1 year after the date of en-
22 actment of this Act, submit to Congress and the
23 President a report containing—

24 (A) recommendations on steps, in addition
25 to the efforts prescribed in this Act, that must

1 be taken in order for the United States to
2 achieve 50 percent energy independence within
3 10 years and 100 percent energy independence
4 within 20 years; and

5 (B) an assessment of the impact of foreign
6 energy dependence on United States national
7 security;

8 (2) advise and make recommendations to the
9 Secretary of Energy on the design and operation, in-
10 cluding selection criteria, of the prize programs car-
11 ried out under sections 101 and 102;

12 (3) make recommendations to the Secretary of
13 Energy selecting participants who have achieved a
14 goal for which a prize will be awarded under section
15 101 or 102; and

16 (4) submit recommendations to Congress, as
17 appropriate because of changing circumstances, for
18 actions that would serve the purpose of achieving the
19 goal of United States energy independence through
20 the development of technologies that lead to the
21 widespread adoption of improvements that increase
22 energy supply or energy efficiency.

23 (c) MEMBERSHIP.—The Commission shall be com-
24 posed of 13 members as follows:

25 (1) The Secretary of Energy.

1 (2) The Secretary of Transportation.

2 (3) The Director of the National Science Foun-
3 dation.

4 (4) The Administrator of the Environmental
5 Protection Agency.

6 (5) The President of the National Academy of
7 Sciences.

8 (6) 2 members appointed by the Speaker of the
9 House of Representatives.

10 (7) 2 members appointed by the minority leader
11 of the House of Representatives.

12 (8) 2 members appointed by the majority leader
13 of the Senate.

14 (9) 2 members appointed by the minority leader
15 of the Senate.

16 (d) TERMS OF MEMBERSHIP.—Each member of the
17 Commission appointed under subsection (c)(6) through
18 (9) shall be appointed for a term of 2 years, except that
19 of the members first appointed, one under each of those
20 paragraphs shall be appointed for a term of 1 year. A
21 member of the Commission may serve after the expiration
22 of the member's term until a successor has taken office.

23 (e) VACANCIES.—A vacancy in the Commission shall
24 not affect its powers but, in the case of a member ap-
25 pointed under subsection (c)(6) through (9), shall be filled

1 in the same manner as the original appointment was
2 made. Any member appointed to fill a vacancy for an un-
3 expired term shall be appointed for the remainder of such
4 term.

5 (f) QUORUM.—Seven members of the Commission
6 shall constitute a quorum.

7 (g) MEETINGS.—The Commission shall meet at the
8 call of the Chairman or a majority of its members.

9 (h) COMPENSATION.—(1) Each member of the Com-
10 mission shall serve without compensation.

11 (2) While away from their homes or regular places
12 of business in the performance of duties for the Commis-
13 sion, members of the Commission shall be allowed travel
14 expenses, including per diem in lieu of subsistence, at
15 rates authorized for employees of agencies under sections
16 5702 and 5703 of title 5, United States Code.

17 (i) STAFF.—Subject to rules prescribed by the Com-
18 mission, the Commission may appoint personnel as it con-
19 siders appropriate.

20 (j) APPLICABILITY OF CERTAIN CIVIL SERVICE
21 LAWS.—The staff of the Commission shall be appointed
22 subject to the provisions of title 5, United States Code,
23 governing appointments in the competitive service, and
24 shall be paid in accordance with the provisions of chapter

1 51 and subchapter III of chapter 53 of that title relating
2 to classification and General Schedule pay rates.

3 (k) EXPERTS AND CONSULTANTS.—The Commission
4 may procure temporary and intermittent services under
5 section 3109(b) of title 5, United States Code.

6 (l) HEARINGS AND SESSIONS.—The Commission
7 may, for the purpose of carrying out this Act, hold hear-
8 ings, sit and act at times and places, take testimony, and
9 receive evidence as the Commission considers appropriate.

10 (m) POWERS OF MEMBERS AND AGENTS.—Any
11 member or agent of the Commission may, if authorized
12 by the Commission, take any action which the Commission
13 is authorized to take by this section.

14 (n) OBTAINING OFFICIAL DATA.—The Commission
15 may secure directly from any department or agency of the
16 United States information necessary to enable it to carry
17 out this Act. Upon request of the Commission, the head
18 of that department or agency shall furnish that informa-
19 tion to the Commission.

20 (o) SUBPOENA POWER.—

21 (1) IN GENERAL.—The Commission may issue
22 subpoenas requiring the attendance and testimony of
23 witnesses and the production of any evidence relat-
24 ing to any matter under investigation by the Com-
25 mission. The attendance of witnesses and the pro-

1 duction of evidence may be required from any place
2 within the United States at any designated place of
3 hearing within the United States.

4 (2) FAILURE TO OBEY A SUBPOENA.—If a per-
5 son refuses to obey a subpoena issued under para-
6 graph (1), the Commission may apply to a United
7 States district court for an order requiring that per-
8 son to appear before the Commission to give testi-
9 mony, produce evidence, or both, relating to the
10 matter under investigation. The application may be
11 made within the judicial district where the hearing
12 is conducted or where that person is found, resides,
13 or transacts business. Any failure to obey the order
14 of the court may be punished by the court as civil
15 contempt.

16 (3) SERVICE OF SUBPOENAS.—The subpoenas
17 of the Commission shall be served in the manner
18 provided for subpoenas issued by a United States
19 district court under the Federal Rules of Civil Pro-
20 cedure for the United States district courts.

21 (4) SERVICE OF PROCESS.—All process of any
22 court to which application is made under paragraph
23 (2) may be served in the judicial district in which
24 the person required to be served resides or may be
25 found.

1 (p) FEDERAL ADVISORY COMMITTEE ACT.—Section
2 14 of the Federal Advisory Committee Act (5 U.S.C.
3 App.) shall not apply to the Commission.

4 **SEC. 114. AUTOMOBILE EFFICIENCY UPGRADE CREDIT.**

5 (a) IN GENERAL.—Subpart C of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 is amended by redesignating section 36 as section
8 37 and by inserting after section 35 the following new sec-
9 tion:

10 **“SEC. 36. AUTOMOBILE EFFICIENCY UPGRADE CREDIT.**

11 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
12 dividual, there shall be allowed as a credit against the tax
13 imposed by this subtitle an amount equal to the amount
14 paid or incurred by the taxpayer during the taxable year
15 for a new passenger automobile in connection with a quali-
16 fied trade-in.

17 “(b) LIMITATIONS.—

18 “(1) DOLLAR LIMITATION.—The credit allowed
19 under this section shall not exceed \$1,500 with re-
20 spect to any taxpayer for any taxable year.

21 “(2) NO CREDIT WITH RESPECT TO AUTO-
22 MOBILE MANUFACTURERS OUT OF COMPLIANCE
23 WITH CAFE STANDARDS.—No credit shall be allowed
24 under subsection (a) with respect to the purchase of
25 any new passenger automobile if a penalty was im-

1 posed under chapter 329 of title 49, United States
2 Code, with respect to the manufacturer of such new
3 passenger automobile at any time during the 1-year
4 period ending on the date of such purchase.

5 “(c) QUALIFIED TRADE-IN.—For purposes of this
6 section—

7 “(1) IN GENERAL.—The term ‘qualified trade-
8 in’ means, with respect to the purchase of any new
9 passenger automobile, the transfer of a qualified
10 used automobile to the dealer from whom such new
11 passenger automobile is purchased as part of the
12 same transaction as such purchase.

13 “(2) QUALIFIED USED AUTOMOBILE.—The
14 term ‘qualified used automobile’ means any pas-
15 senger automobile which was originally placed in
16 service at least 15 years before the date of the quali-
17 fied trade-in and title to which has been held by the
18 taxpayer at all times during the 2-year period ending
19 on the date of the qualified trade-in.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 6211(b)(4)(A) of the Internal Rev-
22 enue Code of 1986 is amended by striking “34,” and
23 all that follows through “6428” and inserting “34,
24 35, 36, 53(e), and 6428”.

1 (2) Section 1324(b)(2) of title 31, United
2 States Code, is amended by inserting “, 36,” after
3 “section 35”.

4 (3) The table of sections for subpart C of part
5 IV of subchapter A of chapter 1 of the Internal Rev-
6 enue Code of 1986 is amended by redesignating the
7 item relating to section 36 as an item relating to
8 section 37 and by inserting before such item the fol-
9 lowing new item:

“Sec. 36. Automobile efficiency upgrade credit.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

13 **TITLE II—FUNDING THROUGH** 14 **DOMESTIC PRODUCTION**

15 **SEC. 201. ENERGY VISION FUND.**

16 (a) ESTABLISHMENT OF FUND.—There is estab-
17 lished in the Treasury a separate account which shall be
18 known as the Energy View Into Securing Independence
19 for Our Nation Trust Fund and may be referred to as
20 the “Energy VISION Fund”.

21 (b) CONTENTS.—There shall be deposited into the
22 Fund such amounts as are provided under this title and
23 the amendments made by this title.

24 (c) USE.—Amounts in the Fund shall be available,
25 to the extent provided in appropriation Acts, to carry out

1 this Act, subject to any limitation in this Act on appro-
2 priations.

3 **Subtitle A—Outer Continental**
4 **Shelf**

5 **SEC. 211. TERMINATING LAWS PROHIBITING FEDERAL**
6 **SPENDING FOR OUTER CONTINENTAL SHELF**
7 **LEASING ACTIVITIES.**

8 All provisions of existing Federal law prohibiting the
9 spending of appropriated funds to conduct oil and natural
10 gas leasing and preleasing activities for any area of the
11 Outer Continental Shelf shall have no force or effect.

12 **SEC. 212. REVOCATION OF EXISTING PRESIDENTIAL WITH-**
13 **DRAWALS.**

14 All withdrawals of Federal submerged lands of the
15 Outer Continental Shelf from leasing, including with-
16 drawals by the President under the authority of section
17 12(a) of the Outer Continental Shelf Lands Act (43
18 U.S.C. 1341(a)), are hereby revoked and are no longer
19 in effect with respect to the leasing of areas for explo-
20 ration for, and development and production of, oil, and
21 natural gas.

22 **SEC. 213. REVOCATION OF EXISTING PRESIDENTIAL AU-**
23 **THORITY.**

24 All authorities given to the President with respect to
25 the leasing of Federal submerged lands of the Outer Con-

1 tinal Shelf, given under section 12(a) of the Outer Con-
2 tinal Shelf Lands Act (43 U.S.C. 1341(a)), are hereby
3 revoked, except in the interest of national security.

4 **SEC. 214. AVAILABILITY OF CERTAIN AREAS FOR LEASING.**

5 Section 8 of the Outer Continental Shelf Lands Act
6 (43 U.S.C. 1337) is amended by adding at the end the
7 following:

8 “(q) AVAILABILITY OF CERTAIN AREAS FOR LEAS-
9 ING.—

10 “(1) DEFINITIONS.—In this subsection:

11 “(A) GOVERNOR.—The term ‘Governor’
12 means the Governor of a State.

13 “(B) QUALIFIED REVENUES.—The term
14 ‘qualified revenues’ means all rentals, royalties,
15 bonus bids, and other sums due and payable to
16 the United States under leases entered into on
17 or after the date of enactment of this sub-
18 section for natural gas exploration and extrac-
19 tion activities authorized by the Secretary pur-
20 suant to petitions under paragraph (2).

21 “(2) PETITION.—

22 “(A) IN GENERAL.—The Governor of a
23 State may submit to the Secretary a petition
24 requesting that the Secretary issue leases au-
25 thorizing the conduct of oil and natural gas ex-

1 ploration and extraction activities in any area
2 off the coast of that State that is at least 50
3 miles beyond the coast of the State.

4 “(B) CONTENTS.—In any petition under
5 subparagraph (A), the Governor shall include a
6 detailed plan of the proposed exploration and
7 extraction activities, as applicable.

8 “(3) ACTION BY SECRETARY.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (D), as soon as practicable after the date
11 of receipt of a petition under paragraph (2)(A),
12 the Secretary shall approve or deny the petition.

13 “(B) REQUIREMENTS FOR EXPLORATION
14 AND EXTRACTION.—The Secretary shall not ap-
15 prove a petition submitted under paragraph
16 (2)(A) by the Governor of a State unless the
17 State enacts legislation supporting exploration
18 and extraction of oil and natural gas in the
19 area, off the coast of the State, for which the
20 petition is submitted.

21 “(C) CONSISTENCY WITH LEGISLATION.—
22 The plan provided in the petition under para-
23 graph (2)(B) shall be consistent with the legis-
24 lation described in subparagraph (B) as appli-
25 cable.

1 “(D) CONFLICTS WITH MILITARY OPER-
2 ATIONS AND NATIONAL SECURITY.—The Sec-
3 retary shall not approve a petition for a drilling
4 activity under this paragraph if the drilling ac-
5 tivity would conflict with any military operation
6 or national security, as determined by the
7 President.

8 “(4) DISPOSITION OF REVENUES.—Notwith-
9 standing section 9, for each applicable fiscal year,
10 the Secretary of the Treasury shall—

11 “(A) deposit 50 percent of qualified reve-
12 nues in the Energy VISION Fund established
13 by section 201 of the Energy View Into Secur-
14 ing Independence for Our Nation Act;

15 “(B) pay to a State 45 percent of the
16 qualified revenues for leases issued pursuant to
17 a petition submitted under paragraph (2) by
18 the Governor of the State; and

19 “(C) deposit 5 percent into a separate ac-
20 count in the Treasury that shall be available to
21 the Secretary of the Interior and the Adminis-
22 trator of the Environmental Protection Agency
23 to mitigate for any environmental damage that
24 occurs as a result of extraction activities au-

1 thorized under this subsection, regardless of
2 whether the damage is—

3 “(i) reasonable foreseeable; or

4 “(ii) caused by negligence, natural
5 disasters, or other acts.

6 “(5) EXISTING LEASES.—Any funds that would
7 be received by the United States as royalties under
8 any Federal oil and gas lease of an area on the
9 Outer Continental Shelf within 50 miles of the
10 coastal zone of the State of Texas, Louisiana, Mis-
11 sissippi, or Alabama that is in effect on the date of
12 enactment of the Energy View Into Securing Inde-
13 pendence for Our Nation Act shall be paid to that
14 State if the State enacts a statute that establishes
15 a plan for expenditure of those funds.”.

16 **Subtitle B—Drilling for Energy in**
17 **the Arctic Now**

18 **SEC. 221. DEFINITIONS.**

19 In this subtitle:

20 (1) COASTAL PLAIN.—The term “Coastal
21 Plain” means that area described in appendix I to
22 part 37 of title 50, Code of Federal Regulations.

23 (2) SECRETARY.—The term “Secretary”, except
24 as otherwise provided, means the Secretary of the
25 Interior or the Secretary’s designee.

1 **SEC. 222. LEASING PROGRAM FOR LANDS WITHIN THE**
2 **COASTAL PLAIN.**

3 (a) IN GENERAL.—The Secretary shall take such ac-
4 tions as are necessary—

5 (1) to establish and implement, in accordance
6 with this subtitle and acting through the Director of
7 the Bureau of Land Management in consultation
8 with the Director of the United States Fish and
9 Wildlife Service, a competitive oil and gas leasing
10 program that will result in an environmentally sound
11 program for the exploration, development, and pro-
12 duction of the oil and gas resources of the Coastal
13 Plain; and

14 (2) to administer the provisions of this subtitle
15 through regulations, lease terms, conditions, restric-
16 tions, prohibitions, stipulations, and other provisions
17 that ensure the oil and gas exploration, development,
18 and production activities on the Coastal Plain will
19 result in no significant adverse effect on fish and
20 wildlife, their habitat, subsistence resources, and the
21 environment, including, in furtherance of this goal,
22 by requiring the application of the best commercially
23 available technology for oil and gas exploration, de-
24 velopment, and production to all exploration, devel-
25 opment, and production operations under this sub-
26 title in a manner that ensures the receipt of fair

1 market value by the public for the mineral resources
2 to be leased.

3 (b) REPEAL.—

4 (1) REPEAL.—Section 1003 of the Alaska Na-
5 tional Interest Lands Conservation Act of 1980 (16
6 U.S.C. 3143) is repealed.

7 (2) CONFORMING AMENDMENT.—The table of
8 contents in section 1 of such Act is amended by
9 striking the item relating to section 1003.

10 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
11 TAIN OTHER LAWS.—

12 (1) COMPATIBILITY.—For purposes of the Na-
13 tional Wildlife Refuge System Administration Act of
14 1966 (16 U.S.C. 668dd et seq.), the oil and gas
15 leasing program and activities authorized by this
16 section in the Coastal Plain are deemed to be com-
17 patible with the purposes for which the Arctic Na-
18 tional Wildlife Refuge was established, and no fur-
19 ther findings or decisions are required to implement
20 this determination.

21 (2) ADEQUACY OF THE DEPARTMENT OF THE
22 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
23 STATEMENT.—The “Final Legislative Environ-
24 mental Impact Statement” (April 1987) on the
25 Coastal Plain prepared pursuant to section 1002 of

1 the Alaska National Interest Lands Conservation
2 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
3 of the National Environmental Policy Act of 1969
4 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
5 quirements under the National Environmental Policy
6 Act of 1969 that apply with respect to prelease ac-
7 tivities, including actions authorized to be taken by
8 the Secretary to develop and promulgate the regula-
9 tions for the establishment of a leasing program au-
10 thorized by this subtitle before the conduct of the
11 first lease sale.

12 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
13 TIONS.—Before conducting the first lease sale under
14 this subtitle, the Secretary shall prepare an environ-
15 mental impact statement under the National Envi-
16 ronmental Policy Act of 1969 with respect to the ac-
17 tions authorized by this Act that are not referred to
18 in paragraph (2). Notwithstanding any other law,
19 the Secretary is not required to identify nonleasing
20 alternative courses of action or to analyze the envi-
21 ronmental effects of such courses of action. The Sec-
22 retary shall only identify a preferred action for such
23 leasing and a single leasing alternative, and analyze
24 the environmental effects and potential mitigation
25 measures for those two alternatives. The identifica-

1 tion of the preferred action and related analysis for
2 the first lease sale under this subtitle shall be com-
3 pleted within 18 months after the date of enactment
4 of this Act. The Secretary shall only consider public
5 comments that specifically address the Secretary's
6 preferred action and that are filed within 20 days
7 after publication of an environmental analysis. Not-
8 withstanding any other law, compliance with this
9 paragraph is deemed to satisfy all requirements for
10 the analysis and consideration of the environmental
11 effects of proposed leasing under this subtitle.

12 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
13 ITY.—Nothing in this subtitle shall be considered to ex-
14 pand or limit State and local regulatory authority.

15 (e) SPECIAL AREAS.—

16 (1) IN GENERAL.—The Secretary, after con-
17 sultation with the State of Alaska, the city of
18 Kaktovik, and the North Slope Borough, may des-
19 ignate up to a total of 45,000 acres of the Coastal
20 Plain as a Special Area if the Secretary determines
21 that the Special Area is of such unique character
22 and interest so as to require special management
23 and regulatory protection. The Secretary shall des-
24 ignate as such a Special Area the Sadlerochit Spring
25 area, comprising approximately 4,000 acres.

1 (2) MANAGEMENT.—Each such Special Area
2 shall be managed so as to protect and preserve the
3 area’s unique and diverse character including its
4 fish, wildlife, and subsistence resource values.

5 (3) EXCLUSION FROM LEASING OR SURFACE
6 OCCUPANCY.—The Secretary may exclude any Spe-
7 cial Area from leasing. If the Secretary leases a Spe-
8 cial Area, or any part thereof, for purposes of oil
9 and gas exploration, development, production, and
10 related activities, there shall be no surface occu-
11 pancy of the lands comprising the Special Area.

12 (4) DIRECTIONAL DRILLING.—Notwithstanding
13 the other provisions of this subsection, the Secretary
14 may lease all or a portion of a Special Area under
15 terms that permit the use of horizontal drilling tech-
16 nology from sites on leases located outside the Spe-
17 cial Area.

18 (f) LIMITATION ON CLOSED AREAS.—The Sec-
19 retary’s sole authority to close lands within the Coastal
20 Plain to oil and gas leasing and to exploration, develop-
21 ment, and production is that set forth in this subtitle.

22 (g) REGULATIONS.—

23 (1) IN GENERAL.—The Secretary shall pre-
24 scribe such regulations as may be necessary to carry
25 out this subtitle, including rules and regulations re-

1 lating to protection of the fish and wildlife, their
2 habitat, subsistence resources, and environment of
3 the Coastal Plain, by no later than 15 months after
4 the date of enactment of this Act.

5 (2) REVISION OF REGULATIONS.—The Sec-
6 retary shall periodically review and, if appropriate,
7 revise the rules and regulations issued under sub-
8 section (a) to reflect any significant biological, envi-
9 ronmental, or engineering data that come to the Sec-
10 retary’s attention.

11 **SEC. 223. LEASE SALES.**

12 (a) IN GENERAL.—Lands may be leased pursuant to
13 this subtitle to any person qualified to obtain a lease for
14 deposits of oil and gas under the Mineral Leasing Act (30
15 U.S.C. 181 et seq.).

16 (b) PROCEDURES.—The Secretary shall, by regula-
17 tion, establish procedures for—

18 (1) receipt and consideration of sealed nomina-
19 tions for any area in the Coastal Plain for inclusion
20 in, or exclusion (as provided in subsection (e)) from,
21 a lease sale;

22 (2) the holding of lease sales under this subtitle
23 after such nomination process; and

1 (3) public notice of and comment on designa-
2 tion of areas to be included in, or excluded from, a
3 lease sale under this subtitle.

4 (c) LEASE SALE BIDS.—Bidding for leases under
5 this subtitle shall be by sealed competitive cash bonus bids.

6 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
7 lease sale under this subtitle, the Secretary shall offer for
8 lease those tracts the Secretary considers to have the
9 greatest potential for the discovery of hydrocarbons, tak-
10 ing into consideration nominations received pursuant to
11 subsection (b)(1), but in no case less than 200,000 acres.

12 (e) TIMING OF LEASE SALES.—The Secretary
13 shall—

14 (1) conduct the first lease sale under this sub-
15 title within 22 months after the date of the enact-
16 ment of this Act; and

17 (2) conduct additional sales so long as sufficient
18 interest in development exists to warrant, in the Sec-
19 retary's judgment, the conduct of such sales.

20 **SEC. 224. GRANT OF LEASES BY THE SECRETARY.**

21 (a) IN GENERAL.—The Secretary may grant to the
22 highest responsible qualified bidder in a lease sale con-
23 ducted pursuant to section 223 any lands to be leased on
24 the Coastal Plain upon payment by the lessee of such
25 bonus as may be accepted by the Secretary.

1 (b) SUBSEQUENT TRANSFERS.—No lease issued
2 under this subtitle may be sold, exchanged, assigned, sub-
3 let, or otherwise transferred except with the approval of
4 the Secretary. Prior to any such approval the Secretary
5 shall consult with, and give due consideration to the views
6 of, the Attorney General.

7 **SEC. 225. LEASE TERMS AND CONDITIONS.**

8 An oil or gas lease issued pursuant to this subtitle
9 shall—

10 (1) provide for the payment to the United
11 States of a royalty of not less than 12½ percent in
12 amount or value of the production removed or sold
13 from the lease, as determined by the Secretary
14 under the regulations applicable to other Federal oil
15 and gas leases;

16 (2) require that the lessee of lands within the
17 Coastal Plain shall be fully responsible and liable for
18 the reclamation of lands within the Coastal Plain
19 and any other Federal lands that are adversely af-
20 fected in connection with exploration, development,
21 production, or transportation activities conducted
22 under the lease and within the Coastal Plain by the
23 lessee or by any of the subcontractors or agents of
24 the lessee;

1 (3) provide that the lessee may not delegate or
2 convey, by contract or otherwise, the reclamation re-
3 sponsibility and liability to another person without
4 the express written approval of the Secretary;

5 (4) provide that the standard of reclamation for
6 lands required to be reclaimed under this subtitle
7 shall be, as nearly as practicable, a condition capable
8 of supporting the uses which the lands were capable
9 of supporting prior to any exploration, development,
10 or production activities, or upon application by the
11 lessee, to a higher or better use as approved by the
12 Secretary;

13 (5) include requirements and restrictions to
14 provide for reasonable protection of fish and wildlife,
15 their habitat, subsistence resources, and the environ-
16 ment as determined by the Secretary;

17 (6) prohibit the export of oil produced under
18 the lease; and

19 (7) contain such other provisions as the Sec-
20 retary determines necessary to ensure compliance
21 with the provisions of this subtitle and the regula-
22 tions issued under this subtitle.

23 **SEC. 226. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

24 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
25 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—

1 The Secretary shall, consistent with the requirements of
2 section 222, administer the provisions of this subtitle
3 through regulations, lease terms, conditions, restrictions,
4 prohibitions, stipulations, and other provisions that—

5 (1) ensure the oil and gas exploration, develop-
6 ment, and production activities on the Coastal Plain
7 will result in no significant adverse effect on fish
8 and wildlife, their habitat, and the environment;

9 (2) require the application of the best commer-
10 cially available technology for oil and gas explo-
11 ration, development, and production on all new ex-
12 ploration, development, and production operations;
13 and

14 (3) ensure that the maximum amount of sur-
15 face acreage covered by production and support fa-
16 cilities, including airstrips and any areas covered by
17 gravel berms or piers for support of pipelines, does
18 not exceed 2,000 acres on the Coastal Plain.

19 (b) **SITE-SPECIFIC ASSESSMENT AND MITIGATION.**—
20 The Secretary shall also require, with respect to any pro-
21 posed drilling and related activities, that—

22 (1) a site-specific analysis be made of the prob-
23 able effects, if any, that the drilling or related activi-
24 ties will have on fish and wildlife, their habitat, sub-
25 sistence resources, and the environment;

1 (2) a plan be implemented to avoid, minimize,
2 and mitigate (in that order and to the extent prac-
3 ticable) any significant adverse effect identified
4 under paragraph (1); and

5 (3) the development of the plan shall occur
6 after consultation with the agency or agencies hav-
7 ing jurisdiction over matters mitigated by the plan.

8 (c) REGULATIONS TO PROTECT COASTAL PLAIN
9 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
10 AND THE ENVIRONMENT.—Before implementing the leas-
11 ing program authorized by this subtitle, the Secretary
12 shall prepare and promulgate regulations, lease terms,
13 conditions, restrictions, prohibitions, stipulations, and
14 other measures designed to ensure that the activities un-
15 dertaken on the Coastal Plain under this subtitle are con-
16 ducted in a manner consistent with the purposes and envi-
17 ronmental requirements of this subtitle.

18 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
19 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
20 proposed regulations, lease terms, conditions, restrictions,
21 prohibitions, and stipulations for the leasing program
22 under this subtitle shall require compliance with all appli-
23 cable provisions of Federal and State environmental law,
24 and shall also require the following:

1 (1) Standards at least as effective as the safety
2 and environmental mitigation measures set forth in
3 items 1 through 29 at pages 167 through 169 of the
4 “Final Legislative Environmental Impact State-
5 ment” (April 1987) on the Coastal Plain.

6 (2) Seasonal limitations on exploration, develop-
7 ment, and related activities, where necessary, to
8 avoid significant adverse effects during periods of
9 concentrated fish and wildlife breeding, denning,
10 nesting, spawning, and migration.

11 (3) Design safety and construction standards
12 for all pipelines and any access and service roads,
13 that—

14 (A) minimize, to the maximum extent pos-
15 sible, adverse effects upon the passage of mi-
16 gratory species such as caribou; and

17 (B) minimize adverse effects upon the flow
18 of surface water by requiring the use of cul-
19 verts, bridges, and other structural devices.

20 (4) Prohibitions on general public access and
21 use on all pipeline access and service roads.

22 (5) Stringent reclamation and rehabilitation re-
23 quirements, consistent with the standards set forth
24 in this subtitle, requiring the removal from the
25 Coastal Plain of all oil and gas development and

1 production facilities, structures, and equipment upon
2 completion of oil and gas production operations, ex-
3 cept that the Secretary may exempt from the re-
4 quirements of this paragraph those facilities, struc-
5 tures, or equipment that the Secretary determines
6 would assist in the management of the Arctic Na-
7 tional Wildlife Refuge and that are donated to the
8 United States for that purpose.

9 (6) Appropriate prohibitions or restrictions on
10 access by all modes of transportation.

11 (7) Appropriate prohibitions or restrictions on
12 sand and gravel extraction.

13 (8) Consolidation of facility siting.

14 (9) Appropriate prohibitions or restrictions on
15 use of explosives.

16 (10) Avoidance, to the extent practicable, of
17 springs, streams, and river system; the protection of
18 natural surface drainage patterns, wetlands, and ri-
19 parian habitats; and the regulation of methods or
20 techniques for developing or transporting adequate
21 supplies of water for exploratory drilling.

22 (11) Avoidance or minimization of air traffic-re-
23 lated disturbance to fish and wildlife.

24 (12) Treatment and disposal of hazardous and
25 toxic wastes, solid wastes, reserve pit fluids, drilling

1 muds and cuttings, and domestic wastewater, includ-
2 ing an annual waste management report, a haz-
3 ardous materials tracking system, and a prohibition
4 on chlorinated solvents, in accordance with applica-
5 ble Federal and State environmental law.

6 (13) Fuel storage and oil spill contingency plan-
7 ning.

8 (14) Research, monitoring, and reporting re-
9 quirements.

10 (15) Field crew environmental briefings.

11 (16) Avoidance of significant adverse effects
12 upon subsistence hunting, fishing, and trapping by
13 subsistence users.

14 (17) Compliance with applicable air and water
15 quality standards.

16 (18) Appropriate seasonal and safety zone des-
17 ignations around well sites, within which subsistence
18 hunting and trapping shall be limited.

19 (19) Reasonable stipulations for protection of
20 cultural and archeological resources.

21 (20) All other protective environmental stipula-
22 tions, restrictions, terms, and conditions deemed
23 necessary by the Secretary.

24 (e) CONSIDERATIONS.—In preparing and promul-
25 gating regulations, lease terms, conditions, restrictions,

1 prohibitions, and stipulations under this section, the Sec-
2 retary shall consider the following:

3 (1) The stipulations and conditions that govern
4 the National Petroleum Reserve—Alaska leasing
5 program, as set forth in the 1999 Northeast Na-
6 tional Petroleum Reserve—Alaska Final Integrated
7 Activity Plan/Environmental Impact Statement.

8 (2) The environmental protection standards
9 that governed the initial Coastal Plain seismic explo-
10 ration program under parts 37.31 to 37.33 of title
11 50, Code of Federal Regulations.

12 (3) The land use stipulations for exploratory
13 drilling on the KIC—ASRC private lands that are set
14 forth in Appendix 2 of the August 9, 1983, agree-
15 ment between Arctic Slope Regional Corporation and
16 the United States.

17 (f) FACILITY CONSOLIDATION PLANNING.—

18 (1) IN GENERAL.—The Secretary shall, after
19 providing for public notice and comment, prepare
20 and update periodically a plan to govern, guide, and
21 direct the siting and construction of facilities for the
22 exploration, development, production, and transpor-
23 tation of Coastal Plain oil and gas resources.

24 (2) OBJECTIVES.—The plan shall have the fol-
25 lowing objectives:

1 (A) Avoiding unnecessary duplication of fa-
2 cilities and activities.

3 (B) Encouraging consolidation of common
4 facilities and activities.

5 (C) Locating or confining facilities and ac-
6 tivities to areas that will minimize impact on
7 fish and wildlife, their habitat, and the environ-
8 ment.

9 (D) Utilizing existing facilities wherever
10 practicable.

11 (E) Enhancing compatibility between wild-
12 life values and development activities.

13 (g) ACCESS TO PUBLIC LANDS.—The Secretary
14 shall—

15 (1) manage public lands in the Coastal Plain
16 subject to subsections (a) and (b) of section 811 of
17 the Alaska National Interest Lands Conservation
18 Act (16 U.S.C. 3121); and

19 (2) ensure that local residents shall have rea-
20 sonable access to public lands in the Coastal Plain
21 for traditional uses.

22 **SEC. 227. EXPEDITED JUDICIAL REVIEW.**

23 (a) FILING OF COMPLAINT.—

24 (1) DEADLINE.—Subject to paragraph (2), any
25 complaint seeking judicial review of any provision of

1 this Act or any action of the Secretary under this
2 subtitle shall be filed—

3 (A) except as provided in subparagraph
4 (B), within the 90-day period beginning on the
5 date of the action being challenged; or

6 (B) in the case of a complaint based solely
7 on grounds arising after such period, within 90
8 days after the complainant knew or reasonably
9 should have known of the grounds for the com-
10 plaint.

11 (2) VENUE.—Any complaint seeking judicial re-
12 view of any provision of this subtitle or any action
13 of the Secretary under this subtitle may be filed only
14 in the United States Court of Appeals for the Dis-
15 trict of Columbia.

16 (3) LIMITATION ON SCOPE OF CERTAIN RE-
17 VIEW.—Judicial review of a Secretarial decision to
18 conduct a lease sale under this subtitle, including
19 the environmental analysis thereof, shall be limited
20 to whether the Secretary has complied with the
21 terms of this subtitle and shall be based upon the
22 administrative record of that decision. The Sec-
23 retary's identification of a preferred course of action
24 to enable leasing to proceed and the Secretary's
25 analysis of environmental effects under this subtitle

1 shall be presumed to be correct unless shown other-
2 wise by clear and convincing evidence to the con-
3 trary.

4 (b) **LIMITATION ON OTHER REVIEW.**—Actions of the
5 Secretary with respect to which review could have been
6 obtained under this section shall not be subject to judicial
7 review in any civil or criminal proceeding for enforcement.

8 **SEC. 228. FEDERAL AND STATE DISTRIBUTION OF REVE-**
9 **NUES.**

10 (a) **IN GENERAL.**—Notwithstanding any other provi-
11 sion of law, of the amount of adjusted bonus, rental, and
12 royalty revenues from Federal oil and gas leasing and op-
13 erations authorized under this subtitle—

14 (1) 45 percent shall be paid to the State of
15 Alaska;

16 (2) 50 percent shall be deposited into the En-
17 ergy VISION Fund established by section 201;

18 (3) 5 percent shall be deposited into a separate
19 account in the Treasury which shall be available to
20 the Secretary of the Interior and the Administrator
21 of the Environmental Protection Agency to mitigate
22 for any environmental damage that occurs as a re-
23 sult of extraction activities authorized under this
24 subtitle, regardless of whether the damage is—

25 (A) reasonable foreseeable; or

1 (B) caused by negligence, natural disas-
2 ters, or other acts.

3 (b) PAYMENTS TO ALASKA.—Payments to the State
4 of Alaska under this section shall be made semiannually.

5 **SEC. 229. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

6 (a) IN GENERAL.—The Secretary shall issue rights-
7 of-way and easements across the Coastal Plain for the
8 transportation of oil and gas—

9 (1) except as provided in paragraph (2), under
10 section 28 of the Mineral Leasing Act (30 U.S.C.
11 185), without regard to title XI of the Alaska Na-
12 tional Interest Lands Conservation Act (30 U.S.C.
13 3161 et seq.); and

14 (2) under title XI of the Alaska National Inter-
15 est Lands Conservation Act (30 U.S.C. 3161 et
16 seq.), for access authorized by sections 1110 and
17 1111 of that Act (16 U.S.C. 3170 and 3171).

18 (b) TERMS AND CONDITIONS.—The Secretary shall
19 include in any right-of-way or easement issued under sub-
20 section (a) such terms and conditions as may be necessary
21 to ensure that transportation of oil and gas does not result
22 in a significant adverse effect on the fish and wildlife, sub-
23 sistence resources, their habitat, and the environment of
24 the Coastal Plain, including requirements that facilities be

1 sited or designed so as to avoid unnecessary duplication
2 of roads and pipelines.

3 (c) REGULATIONS.—The Secretary shall include in
4 regulations under section 2(g) provisions granting rights-
5 of-way and easements described in subsection (a) of this
6 section.

7 **SEC. 230. CONVEYANCE.**

8 In order to maximize Federal revenues by removing
9 clouds on title to lands and clarifying land ownership pat-
10 terns within the Coastal Plain, the Secretary, notwith-
11 standing section 1302(h)(2) of the Alaska National Inter-
12 est Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall
13 convey—

14 (1) to the Kaktovik Inupiat Corporation the
15 surface estate of the lands described in paragraph 1
16 of Public Land Order 6959, to the extent necessary
17 to fulfill the Corporation's entitlement under sec-
18 tions 12 and 14 of the Alaska Native Claims Settle-
19 ment Act (43 U.S.C. 1611 and 1613) in accordance
20 with the terms and conditions of the Agreement be-
21 tween the Department of the Interior, the United
22 States Fish and Wildlife Service, the Bureau of
23 Land Management, and the Kaktovik Inupiat Cor-
24 poration effective January 22, 1993; and

1 (b) USE OF ASSISTANCE.—Financial assistance
2 under this section may be used only for—

3 (1) planning for mitigation of the potential ef-
4 fects of oil and gas exploration and development on
5 environmental, social, cultural, recreational, and sub-
6 sistence values;

7 (2) implementing mitigation plans and main-
8 taining mitigation projects;

9 (3) developing, carrying out, and maintaining
10 projects and programs that provide new or expanded
11 public facilities and services to address needs and
12 problems associated with such effects, including fire-
13 fighting, police, water, waste treatment, medivac,
14 and medical services; and

15 (4) establishment of a coordination office, by
16 the North Slope Borough, in the City of Kaktovik,
17 which shall—

18 (A) coordinate with and advise developers
19 on local conditions, impact, and history of the
20 areas utilized for development; and

21 (B) provide to the Committee on Natural
22 Resources of the House of Representatives and
23 the Committee on Energy and Natural Re-
24 sources of the Senate an annual report on the

1 status of coordination between developers and
2 the communities affected by development.

3 (c) APPLICATION.—

4 (1) IN GENERAL.—Any community that is eligi-
5 ble for assistance under this section may submit an
6 application for such assistance to the Secretary, in
7 such form and under such procedures as the Sec-
8 retary may prescribe by regulation.

9 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
10 community located in the North Slope Borough may
11 apply for assistance under this section either directly
12 to the Secretary or through the North Slope Bor-
13 ough

14 (3) APPLICATION ASSISTANCE.—The Secretary
15 shall work closely with and assist the North Slope
16 Borough and other communities eligible for assist-
17 ance under this section in developing and submitting
18 applications for assistance under this section.

19 **Subtitle C—Nuclear Energy**

20 **SEC. 241. SHORT TITLE.**

21 This subtitle may be cited as the “Declaring a
22 Change in our Operating System for the Promotion of Nu-
23 clear Energy Act”.

1 **SEC. 242. HEARINGS UNDER ATOMIC ENERGY ACT OF 1954.**

2 (a) Section 189 a.(1)(A) of the Atomic Energy Act
3 of 1954 (42 U.S.C. 2239(a)(1)(A)) is amended by—

4 (1) in the second sentence—

5 (A) deleting that portion of the sentence
6 that begins with “The Commission” and ends
7 with “Federal Register, on” and inserting
8 “On”;

9 (B) inserting “or an operating license”
10 after “construction permit” each time “con-
11 struction permit” is used in the sentence; and

12 (C) deleting the period at the end of the
13 sentence; and

14 (2) in the third sentence—

15 (A) deleting that portion of the sentence
16 that begins with “In cases” and ends with
17 “such a hearing”;

18 (B) deleting “therefor” and inserting “for
19 a hearing”; and

20 (C) deleting “issue an operating license”
21 and inserting “issue a construction permit, an
22 operating license,”.

23 (b) Section 189 of the Atomic Energy Act of 1954
24 (42 U.S.C. 2239) is further amended by—

25 (1) in the second sentence of subsection
26 a.(2)(A) (42 U.S.C. 2239(a)(2)(A)), deleting “re-

1 quired hearing” and inserting “hearing held by the
2 Commission under this section”; and

3 (2) in subsection b. (42 U.S.C. 2239(b)), revis-
4 ing paragraph (2) by deleting “to begin operating”
5 and inserting “to operate”.

6 (c) The first sentence of subsection b. of section 185
7 of the Atomic Energy Act of 1954 (42 U.S.C. 2235(b))
8 is amended by deleting “After holding a public hearing
9 under section 189 a.(1)(A),” and inserting “After holding
10 a hearing under section 189 a.(1)(A), or if the Commis-
11 sion has determined that no hearing is required to be held
12 under section 189 a.(1)(A),”.

13 (d) Section 193(b) of the Atomic Energy Act of 1954
14 (42 U.S.C. 2243(b)) is amended by—

15 (1) in paragraph (1), deleting “on the record
16 with regard to the licensing of the construction and
17 operation of a uranium enrichment facility under
18 sections 53 and 63” and inserting “, if a person
19 whose interest may be affected by the construction
20 and operation of a uranium enrichment facility
21 under sections 53 and 63 has requested a hearing
22 regarding the licensing of the construction and oper-
23 ation of the facility”; and

1 (2) in paragraph (2), deleting “Such hearing”
2 and inserting, “If a hearing is held under paragraph
3 (1), the hearing”.

4 (e) The amendments in this section shall apply to all
5 applications and proceedings pending before the Commis-
6 sion on or after the date of enactment of this section.

7 **Subtitle D—Coal-To-Liquids**

8 **SEC. 251. STANDBY LOANS FOR QUALIFYING COAL-TO-LIQ-** 9 **UIDS PROJECTS.**

10 Section 1702 of the Energy Policy Act of 2005 (42
11 U.S.C. 16512) is amended by adding at the end the fol-
12 lowing new subsection:

13 “(k) STANDBY LOANS FOR QUALIFYING CTL
14 PROJECTS.—

15 “(1) DEFINITIONS.—For purposes of this sub-
16 section:

17 “(A) CAP PRICE.—The term ‘cap price’
18 means a market price specified in the standby
19 loan agreement above which the project is re-
20 quired to make payments to the United States.

21 “(B) FULL TERM.—The term ‘full term’
22 means the full term of a standby loan agree-
23 ment, as specified in the agreement, which shall
24 not exceed the lesser of 30 years or 90 percent

1 of the projected useful life of the project (as de-
2 termined by the Secretary).

3 “(C) MARKET PRICE.—The term ‘market
4 price’ means the average quarterly price of a
5 petroleum price index specified in the standby
6 loan agreement.

7 “(D) MINIMUM PRICE.—The term ‘min-
8 imum price’ means a market price specified in
9 the standby loan agreement below which the
10 United States is obligated to make disburse-
11 ments to the project.

12 “(E) OUTPUT.—The term ‘output’ means
13 some or all of the liquid or gaseous transpor-
14 tation fuels produced from the project, as speci-
15 fied in the loan agreement.

16 “(F) PRIMARY TERM.—The term ‘primary
17 term’ means the initial term of a standby loan
18 agreement, as specified in the agreement, which
19 shall not exceed the lesser of 20 years or 75
20 percent of the projected useful life of the
21 project (as determined by the Secretary).

22 “(G) QUALIFYING CTL PROJECT.—The
23 term ‘qualifying CTL project’ means—

1 “(i) a commercial-scale project that
2 converts coal to one or more liquid or gas-
3 eous transportation fuels; or

4 “(ii) not more than one project at a
5 facility that converts petroleum refinery
6 waste products, including petroleum coke,
7 into one or more liquids or gaseous trans-
8 portation fuels,

9 that demonstrates the capture, and sequestra-
10 tion or disposal or use of, the carbon dioxide
11 produced in the conversion process, and that,
12 on the basis of a carbon dioxide sequestration
13 plan prepared by the applicant, is certified by
14 the Administrator of the Environmental Protec-
15 tion Agency, in consultation with the Secretary,
16 as producing fuel with life cycle carbon dioxide
17 emissions at or below the average life cycle car-
18 bon dioxide emissions for the same type of fuel
19 produced at traditional petroleum based facili-
20 ties with similar annual capacities.

21 “(H) STANDBY LOAN AGREEMENT.—The
22 term ‘standby loan agreement’ means a loan
23 agreement entered into under paragraph (2).

24 “(2) STANDBY LOANS.—

1 “(A) LOAN AUTHORITY.—The Secretary
2 may enter into standby loan agreements with
3 not more than six qualifying CTL projects, at
4 least one of which shall be a project jointly or
5 in part owned by two or more small coal pro-
6 ducers. Such an agreement—

7 “(i) shall provide that the Secretary
8 will make a direct loan (within the mean-
9 ing of section 502(1) of the Federal Credit
10 Reform Act of 1990) to the qualifying
11 CTL project; and

12 “(ii) shall set a cap price and a min-
13 imum price for the primary term of the
14 agreement.

15 “(B) LOAN DISBURSEMENTS.—Such a loan
16 shall be disbursed during the primary term of
17 such agreement whenever the market price falls
18 below the minimum price. The amount of such
19 disbursements in any calendar quarter shall be
20 equal to the excess of the minimum price over
21 the market price, times the output of the
22 project (but not more than a total level of dis-
23 bursements specified in the agreement).

24 “(C) LOAN REPAYMENTS.—The Secretary
25 shall establish terms and conditions, including

1 interest rates and amortization schedules, for
2 the repayment of such loan within the full term
3 of the agreement, subject to the following limi-
4 tations:

5 “(i) If in any calendar quarter during
6 the primary term of the agreement the
7 market price is less than the cap price, the
8 project may elect to defer some or all of its
9 repayment obligations due in that quarter.
10 Any unpaid obligations will continue to ac-
11 crue interest.

12 “(ii) If in any calendar quarter during
13 the primary term of the agreement the
14 market price is greater than the cap price,
15 the project shall meet its scheduled repay-
16 ment obligation plus deferred repayment
17 obligations, but shall not be required to
18 pay in that quarter an amount that is
19 more than the excess of the market price
20 over the cap price, times the output of the
21 project.

22 “(iii) At the end of the primary term
23 of the agreement, the cumulative amount
24 of any deferred repayment obligations, to-
25 gether with accrued interest, shall be am-

1 authorized (with interest) over the remainder
2 of the full term of the agreement.

3 “(3) PROFIT-SHARING.—The Secretary is au-
4 thorized to enter into a profit-sharing agreement
5 with the project at the time the standby loan agree-
6 ment is executed. Under such an agreement, if the
7 market price exceeds the cap price in a calendar
8 quarter, a profit-sharing payment shall be made for
9 that quarter, in an amount equal to—

10 “(A) the excess of the market price over
11 the cap price, times the output of the project;
12 less

13 “(B) any loan repayments made for the
14 calendar quarter.

15 “(4) COMPLIANCE WITH FEDERAL CREDIT RE-
16 FORM ACT.—

17 “(A) UPFRONT PAYMENT OF COST OF
18 LOAN.—No standby loan agreement may be en-
19 tered into under this subsection unless the
20 project makes a payment to the United States
21 that the Office of Management and Budget de-
22 termines is equal to the cost of such loan (de-
23 termined under 502(5)(B) of the Federal Credit
24 Reform Act of 1990). Such payment shall be

1 made at the time the standby loan agreement is
2 executed.

3 “(B) MINIMIZATION OF RISK TO THE GOV-
4 ERNMENT.—In making the determination of the
5 cost of the loan for purposes of setting the pay-
6 ment for a standby loan under subparagraph
7 (A), the Secretary and the Office of Manage-
8 ment and Budget shall take into consideration
9 the extent to which the minimum price and the
10 cap price reflect historical patterns of volatility
11 in actual oil prices relative to projections of fu-
12 ture oil prices, based upon publicly available
13 data from the Energy Information Administra-
14 tion, and employing statistical methods and
15 analyses that are appropriate for the analysis of
16 volatility in energy prices.

17 “(C) TREATMENT OF PAYMENTS.—The
18 value to the United States of a payment under
19 subparagraph (A) and any profit-sharing pay-
20 ments under paragraph (3) shall be taken into
21 account for purposes of section 502(5)(B)(iii) of
22 the Federal Credit Reform Act of 1990 in de-
23 termining the cost to the Federal Government
24 of a standby loan made under this subsection.
25 If a standby loan has no cost to the Federal

1 Government, the requirements of section 504(b)
2 of such Act shall be deemed to be satisfied.

3 “(5) OTHER PROVISIONS.—

4 “(A) NO DOUBLE BENEFIT.—A project re-
5 ceiving a loan under this subsection may not,
6 during the primary term of the loan agreement,
7 receive a Federal loan guarantee under sub-
8 section (a) of this section, or under other laws.

9 “(B) SUBROGATION, ETC.—Subsections
10 (g)(2) (relating to subrogation), (h) (relating to
11 fees), and (j) (relating to full faith and credit)
12 shall apply to standby loans under this sub-
13 section to the same extent they apply to loan
14 guarantees.”.

○